1H25 Results

Supplementary Presentation

Qantas Airways Limited
27 February 2025

ASX: QAN
US OTC: QABSY

Disclaimer

Summary information

This Presentation contains summary information about Qantas and its controlled entities (Qantas Group) and their activities as at 27 February 2025, 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 2024, along with other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Financial data

All dollar values are in Australian dollars (A$). 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 2024 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. Non-IFRS financial information is financial information that is presented other than in accordance with relevant accounting standards and may not be directly comparable with other companies' information. Non-IFRS measures are used by management to assess and monitor business performance and should be considered in addition to, and not as a substitute for, IFRS information. The non-IFRS financial information is unaudited and has not been reviewed by the Group's Independent Auditor.

For definitions of non-IFRS financial information refer to the Glossary (see slide 29) and the Consolidated Interim Report for the half year ended 31 December 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. Forward-looking statements may include, but are not limited to, statements about Qantas' projections, guidance on future earnings, expectations, plans, strategies and objectives of management; strategy, targets, goals and objectives with regard to climate change, the environment, and other sustainability issues; future customer demand; development of new initiatives and projects; capital expenditure or costs and scheduling; the availability, implementation and adoption of new technologies; and tax, legal and other regulatory developments.

Forward-looking statements may be identified by the use of terminology, including terms such as 'target', 'expect', 'will', 'guidance', 'outlook' or other similar words.

These forward-looking statements reflect Qantas' expectations at the date of this presentation. They are not guarantees or predictions of future performance or outcomes, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Qantas' control and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Qantas cautions against reliance on any forward-looking statements, particularly in light of economic and geopolitical uncertainties, including global market conditions and demand; and legal, technological and regulatory risks.

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Group Performance

QANTAS GROUP

1H25 Key Group Financial Metrics

		1H25	1H24
Profit metrics			
Revenue	$M	12,129	11,127
Underlying Profit Before Tax	$M	1,385	1,245
Underlying Earnings per Share	c	62.8	51.7
Statutory Profit Before Tax	$M	1,320	1,245
Statutory Profit After Tax	$M	923	869
Statutory Earnings per Share[1]	c	59.9	51.8
Balance Sheet and Cash Flow metrics			
Rolling 12 month ROIC	%	54.6	81.4
Net Debt	$B	4.13	4.01
Operating cash flow	$M	2,073	1,341
Net free cash flow	$M	677	(73)
Weighted Average Shares Outstanding	M	1,542	1,686

Net Debt Target Range of $4.7b – $5.8b

QANTAS GROUP 1. Basic EPS.

1H25 Key Group Operating Metrics

		1H25	1H24	Change
Unit Revenue (RASK)[1]	c/ASK	11.31	11.65	(2.9)%
Total Unit Cost[1]	c/ASK	(9.50)	(9.85)	3.6%
Unit Cost (ex-Fuel)[1]	c/ASK	(6.18)	(6.00)	(3.1)%
Available Seat Kilometres (ASK)	M	76,438	69,324	10.3%
Revenue Passenger Kilometres (RPK)	M	65,337	57,989	12.7%
Passengers carried	000	28,299	26,012	8.8%
Seat Factor	%	85.5%	83.6%	1.9pts
Operating Margin	%	12.4%	12.1%	0.3pts
Full-time equivalent employees[2]	FTE	27,625	26,778	3.2%

1. Refer to slide 10 for detailed calculation. 2. The total number of full-time equivalent (FTE) employees as at 31 December 2024, 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	1H25	Comments
Legal provisions and related costs	**(65)**	$65m increase in legal provision. In December 2024, the Group reached an agreement with the Transport Workers Union (TWU) on the payment of compensation to the former ground handlers to a total value of $120 million. A hearing on pecuniary penalties has not yet been held but is scheduled to be held in the second half of the 2024/25 financial year.
Total Items not included in Underlying PBT[1]	**(65)**	

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 or expenses outside the ordinary course of business. These may relate to business activities in other reporting periods, major transformational/restructuring initiatives, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

Reconciliation to Underlying Profit Before Tax

$M	1H25			1H24		
	Statutory	Items not included in Underlying	Underlying	Statutory	Items not included in Underlying	Underlying
Net passenger revenue	10,474	–	10,474	9,614	–	9,614
Net freight revenue	671	–	671	605	–	605
Other revenue and income	984	–	984	908	–	908
Total Revenue	**12,129**	**–**	**12,129**	**11,127**	**–**	**11,127**
Salaries, wages and other benefits	2,585	–	2,585	2,395	–	2,395
Aircraft operating variable	2,853	–	2,853	2,421	–	2,421
Fuel	2,541	–	2,541	2,673	–	2,673
Depreciation and amortisation	992	–	992	854	–	854
Share of net profit of investments accounted for under the equity method	(23)	–	(23)	(19)	–	(19)
Net (gain)/loss on disposal of assets	(15)	–	(15)	1	–	1
Other expenditure	1,756	(65)	1,691	1,457	–	1,457
Total Expenditure	**10,689**	**(65)**	**10,624**	**9,782**	**–**	**9,782**
EBIT	**1,440**	**65**	**1,505**	**1,345**	**–**	**1,345**
Net finance costs	(120)	–	(120)	(100)	–	(100)
Profit Before Tax	**1,320**	**65**	**1,385**	**1,245**	**–**	**1,245**

Statutory Income Statement Detail

$M	1H25
Net passenger revenue	10,474
Net freight revenue	671
Other revenue and income	984
Total Revenue	**12,129**
Salaries, wages and other benefits	2,585
Aircraft operating variable	2,853
Fuel	2,541
Depreciation and amortisation	992
Share of net profit of investments accounted for under the equity method	(23)
Net gain on disposal of assets	(15)
Other expenditure	1,756
Total Expenditure	**10,689**
EBIT	**1,440**
Net finance costs	(120)
Profit Before Tax	**1,320**
Income tax expense	(397)
Profit After Tax	**923**

Net passenger revenue up 9%

- Group capacity increased 10% from new fleet capacity up-gauge with Group RASK down 3%
  - Group Domestic[1] Unit Revenue up 5% due to continued return of higher yielding business-purpose passengers
  - Group International[2] Unit Revenue down 7% due to return of market capacity

Net freight revenue up 11% - All-Airbus QF freighter fleet drove uplift in revenue capability

Salaries, wages and other benefits up 8%

- Increased flying activity and FTE requirement across the Group
- Group Wage Policy of 3% escalation
- Same Job Same Pay effective from November 2024, including balance sheet leave revaluation

Aircraft operating variable (AOV) costs up 18%

- 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 down 5%

- Lower fuel prices offset by higher flying activity

Depreciation and amortisation up 16%

- Depreciation increased with delivery of new aircraft and increased capital maintenance, including impact of lease-related depreciation

Share of net profit of investments, favourable to 1H24

- Jetstar Japan profitable and share of profits benefited from FX gain on lease liabilities

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

Statutory Other Revenue and Expenses Detail – Compared to 1H24

$M	1H25	1H24	Change
Other Revenue and Income	984	908	76

Frequent Flyer marketing revenue and other Qantas Loyalty businesses up 13%

- Increased TripADeal holiday packages revenue driven by uplift in international travel
- Growth in Qantas Insurance policy sales driving higher revenue
- Higher marketing revenue from external points sales to Financial Services and coalition partners partially offset by impact on fair value from launch of Classic Plus

Qantas Marketplace and other redemption revenue up 2%

- Increased due to change in mix towards higher margin redemptions in Qantas Hotels and Holidays and introduction of Ticketek new partnership from March 2024, offset by higher partner airline redemption costs

Third-party services revenue up 2%

- Higher freight terminal fee revenue partially offset by lower codeshare commission revenue

Other income up 2%

- Third party lounge revenue increased with increase in international flying
- Jetstar ancillary revenue increased from Club Jetstar membership growth to 425k members and online travel agent fees

$M	1H25	1H24	Change
Other Expenditure	1,756	1,457	299

Technology and digital up 20%

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

Commissions and other selling costs up 5%

- Increased agency expenses from higher passenger revenue performance

Capacity hire up 44%

- Higher capacity hire expenditure related to overall activity growth, 7 additional Alliance E190 wet lease aircraft and commencement of 1 x Finnair wet lease aircraft

Hotel, holiday and tour-related costs up 65%

- Higher checked-in total transaction volume driven by uplift in international travel

Discretionary bonuses to non-executive employees up 123%

- One-off Thank You payment of $1,000 to non-executives, totalling $29m in 1H25

Other expenditure up 12%

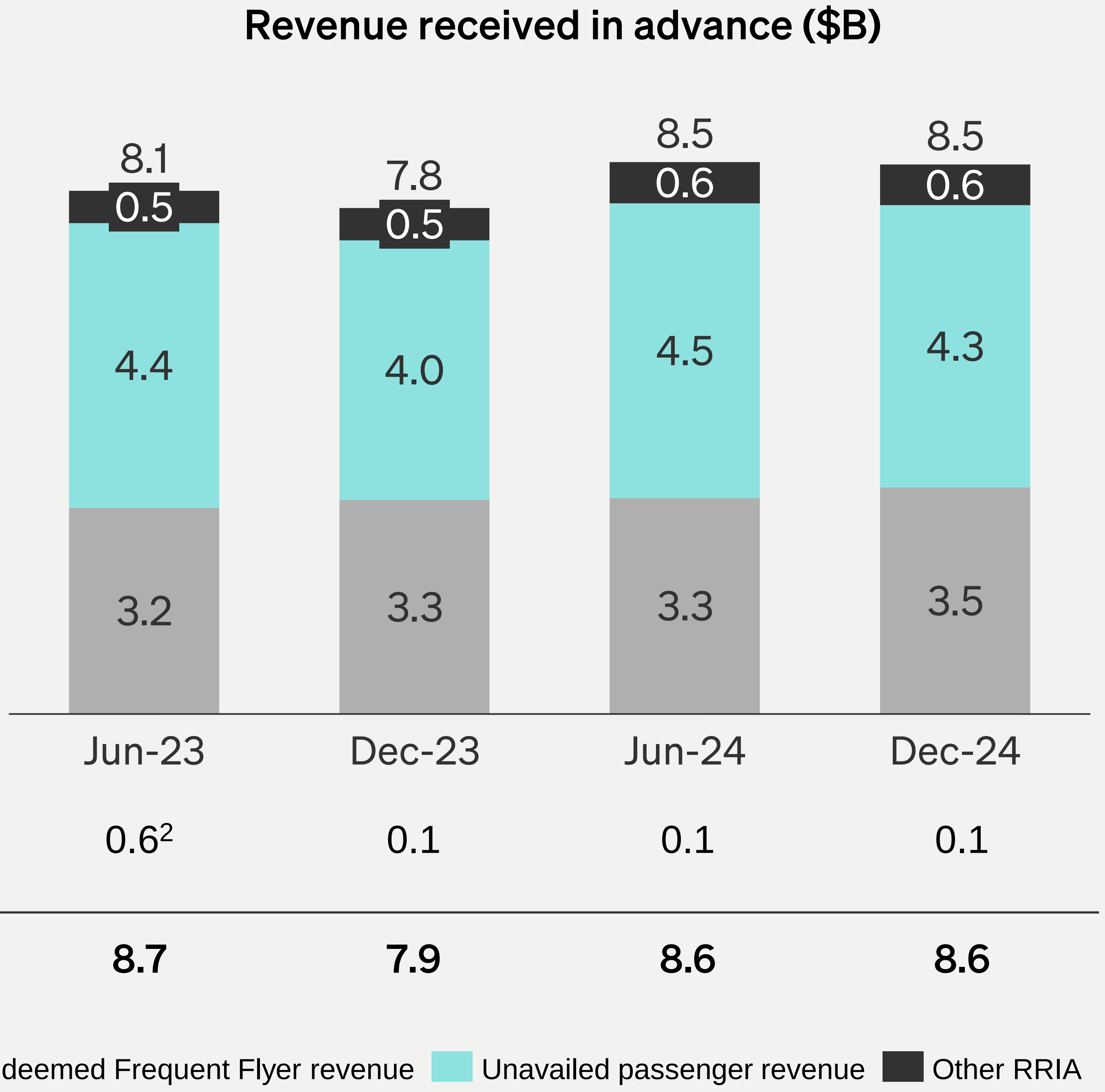
- Increase in ground handling outsourcing provision +65m from Federal Court case due to agreement reached in December 2024

Group Unit Revenue and Unit Cost (c/ASK)

	RASK		1H25
	Net passenger revenue	$M	10,474
	Excluding Other passenger revenue	$M	(1,829)
A	Ticketed Passenger Revenue	$M	8,645
B	ASKs	M	76,438
A/B	Unit Revenue (Pax Rev)	c/ASK	11.31

	CASK		1H25
	Underlying (Profit) Before Tax	$M	(1,385)
	Less: Ticketed passenger revenue	$M	8,645
C	Net expenditure	$M	7,260
	Less: Fuel	$M	(2,541)
	Less: Impact of discount rate changes on provisions	$M	(17)
	Less: Share of net profit of investments accounted under the equity method	$M	23
D	Net expenditure (excluding fuel)	$M	4,725
B	ASKs	M	76,438
C/B	Total Unit Cost	c/ASK	9.50
D/B	Unit Cost (Ex-Fuel)	c/ASK	6.18

Revenue received in advance (RRIA) and travel credits



	Jun-23	Dec-23	Jun-24	Dec-24
COVID travel credits and vouchers[1]	0.6[2]	0.1	0.1	0.1
Total RRIA	**8.7**	**7.9**	**8.6**	**8.6**

- Airline RRIA was seasonally lower in 1H25 (December 2024) but experienced strong growth relative to 1H24 (December 2023)
- Unredeemed Frequent Flyer revenue continued to grow in line with an increase in active membership and points activity
- As of 31 December 2024, $368m of customer balances remaining in COVID credits ($0.3b in Qantas, recognised in payables and $0.1b held in Jetstar RRIA)
- Continued effort to encourage customers to refund Qantas COVID credits and use Jetstar vouchers through
  - Ongoing email and SMS notifications, including statement of outstanding balances
  - Continued coordination with travel agents[3]
  - Maintaining support on the qantas.com travel credits hub and ability to check voucher balances on jetstar.com

1. 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. Qantas COVID Credits were reclassified to payables from 31 December 2023. 3. For Qantas COVID credits.

Financial Framework and Fleet

Return on Invested Capital (ROIC) calculation

$M	12 mths to Dec 24	12 mths to Dec 23
Underlying EBIT	2,439	2,483
Add back: Lease depreciation under AASB 16	334	306
Less: Notional depreciation[1]	(102)	(112)
Less: Cash expenses for non-aircraft leases	(257)	(230)
ROIC EBIT	**2,414**	**2,447**
$M	**As at 31 Dec 2024**	**As at 31 Dec 2023**
Net working capital[2]	(10,618)	(10,012)
Fixed assets[3]	14,931	13,658
Capitalised leased aircraft assets[1]	990	889
Invested Capital	**5,303**	**4,535**
Average Invested Capital[4]	**4,422**	**3,006**
Return on Invested Capital (%)	**54.6**	**81.4**

- 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 lease 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 2024	As at 31 Dec 2023
Net Assets	**743**	**117**
Less: Cash and cash equivalents	(2,340)	(1,545)
Add back: Interest-bearing liabilities	5,624	4,902
Less: Other financial (assets)/liabilities	(368)	31
Add/Less: Tax balances	427	(57)
Less: Right of use assets	(1,323)	(963)
Add back: Lease liabilities	1,605	1,219
Less: Finance lease receivables	(55)	(58)
Add: Capitalised leased aircraft assets[1]	990	889
Invested Capital	**5,303**	**4,535**
Average Invested Capital[2]	**4,422**	**3,006**

- 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)
- Average 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 forecast average Invested Capital of **$5.4b**[1], optimal Net Debt range is **$4.7b to $5.8b**

	Forecast Jun 25 $B	Drivers of Net Debt Target Range
Forecast Invested Capital *Avg Forecast Invested Capital for trailing 12 months*	5.4	Invested Capital will rebuild with fleet reinvestment
Forecast 10% ROIC EBIT *Invested Capital x 10%*	0.54	Notional EBIT increases as Invested Capital grows
Forecast 12 month ROIC depreciation[2] *Includes notional depreciation on aircraft leases*	1.79	Depreciation changes as fleet renewed
Forecast EBITDA where ROIC = 10%	2.33	
Forecast Net Debt Target Range[3]		
Net Debt at 2.0x EBITDA where ROIC = 10%	4.7	Net Debt Target Range moves over time with the above.
Net Debt at 2.5x EBITDA where ROIC = 10%	5.8	When actual results > 10% ROIC leverage are below 2.0x

QANTAS GROUP

1. Forecast average Invested Capital for 30 June 2025. 2. Equal to forecast ROIC depreciation for the 12 months to 30 June 2025 and includes Group Underlying depreciation and amortisation (excluding lease depreciation under AASB 16), and notional depreciation on leased aircraft. 3. 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 31 Dec 2024	As at 30 Jun 2024	Change
Net on Balance Sheet debt[1]	3,290	3,311	21
Capitalised aircraft lease liabilities	844	795	(49)
Net Debt	**4,134**	**4,106**	**(28)**

Net Debt unchanged for the 6 months to December 2024

- Gross debt increased by $0.6b from $0.2b drawdown of secured and $0.5b of unsecured debt, partially offset by $0.1b of scheduled repayments
- Offset by $0.6b cash increase mainly driven by Funds From Operations and increased borrowings to fund Net Capital Expenditure and shareholder distributions

$M	As at 31 Dec 2024	As at 30 Jun 2024	Change[2]
Cash and cash equivalents at end of period	2,340	1,718	622
Undrawn facilities	1,202	1,000	202
Unencumbered assets[3]	8,162	7,494	668
Total Sources of Liquidity	**11,704**	**10,212**	**1,492**

Total Sources of Liquidity movement of $1.5b for the 6 months to December 2024 includes:

- $0.2b secured aircraft financing on A220-300, A320neo and A321LR as a committed undrawn facility
- $0.7b increase in unencumbered asset base from new aircraft deliveries and increase in AUD equivalent of USD 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 31 December 2024.

Net Debt movement under the Financial Framework

$M	1H25	1H24
Opening Net Debt	**(4,106)**	**(2,885)**
Net cash from operating activities	2,073	1,341
Less: Net lease principal repayments under AASB 16[1]	(154)	(508)
Add: Principal portion of aircraft lease rentals	48	395
Funds From Operations	**1,967**	**1,227**
Net cash from investing activities	(1,396)	(1,414)
Addition of leased aircraft	(31)	(76)
Return of leased aircraft	–	–
Net Capital Expenditure	**(1,427)**	**(1,490)**
Payments for share buy-back	(448)	(452)
Shareholder Distributions	**(448)**	**(452)**
Payment for treasury shares	(61)	(292)
FX revaluations and other fair value movements[1]	(59)	(122)
Closing Net Debt	**(4,134)**	**(4,013)**

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 repayment
- 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. 1H24 variance to prior reported numbers relate to the reclass of proceeds from lease receivables of $4m offset by payments for aircraft security deposits of ($3m) into net lease principal repayments made

Financial Framework versus Statutory Net Debt

$M	As at 31 Dec 2024	As at 30 Jun 2024
Interest-bearing liabilities	5,624	5,035
Fair value hedge	6	(6)
Cash and Cash Equivalents	(2,340)	(1,718)
Capitalised aircraft lease liabilities	844	795
Financial Framework Net Debt	**4,134**	**4,106**

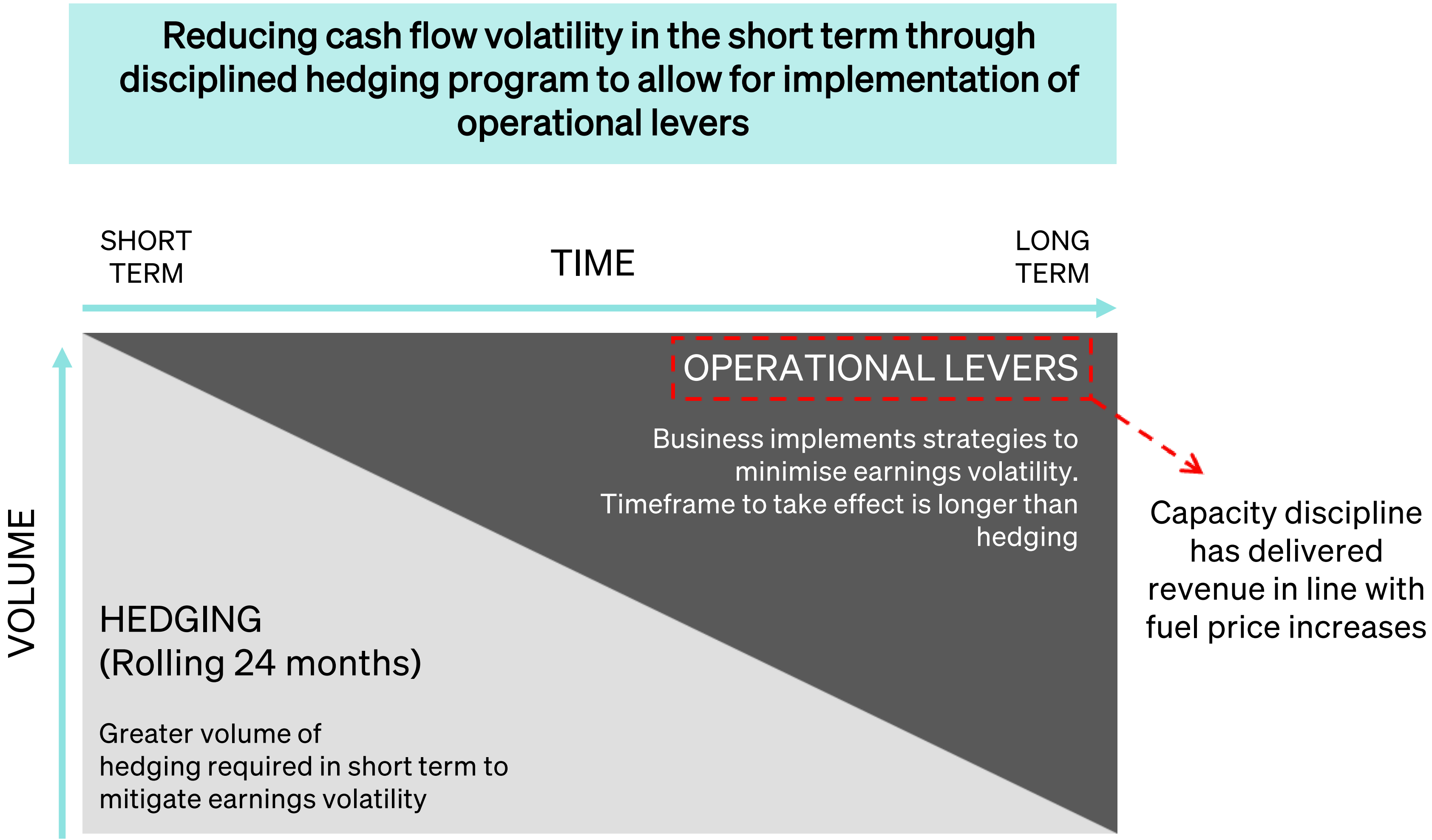
- Under the Financial Framework, aircraft leases are treated as capital acquisitions and recognised at fair value (through Net Capex) and a notional borrowing recognised as part of Net Debt as Capitalised aircraft lease liabilities
- Principal portions of aircraft rentals are treated as debt repayments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

$M	As at 31 Dec 2024	As at 30 Jun 2024
Interest-bearing liabilities	5,624	5,035
Cash and Cash Equivalents	(2,340)	(1,718)
Lease Liabilities	1,605	1,556
Statutory Net Debt	**4,889**	**4,873**

- 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
  - Expected capital costs for fleet are based on long term average AUD/USD rates. This is consistent with the extended fleet delivery profile. Cash flow risk is then managed within a 24-month period per above
- 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 denominated 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

- 1H25 fuel cost at $2.5b
  - Inclusive of ~$30m of SAF and carbon credits
- FY25 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
  - 2H25 fuel exposure is 87%[1] hedged through a combination of Brent outright options and collars
- Timing difference of cash flow date and accounting recognition can create additional FX volatility within reporting periods

Barrels of fuel ('000)	1H25	1H24	% Change
Qantas Domestic	**3,879**	3,849	1%
Qantas International	**6,755**	6,113	11%
Qantas Freight	**593**	670	(12)%
Jetstar Group	**4,345**	3,709	17%
SAF	**32**	31	3%
Total fuel consumption	**15,604**	**14,372**	**9%**

Capital Expenditure FX – Hedging of USD Fleet Payments

- Hedging remains consistent with long term approach to risk management
- 2H25 is 72%[1] hedged through a combination of outright options and collars

Interest rates

- Significant cash holdings provide a natural offset to floating rate debt in portfolio. Remaining interest rate risk is minimal

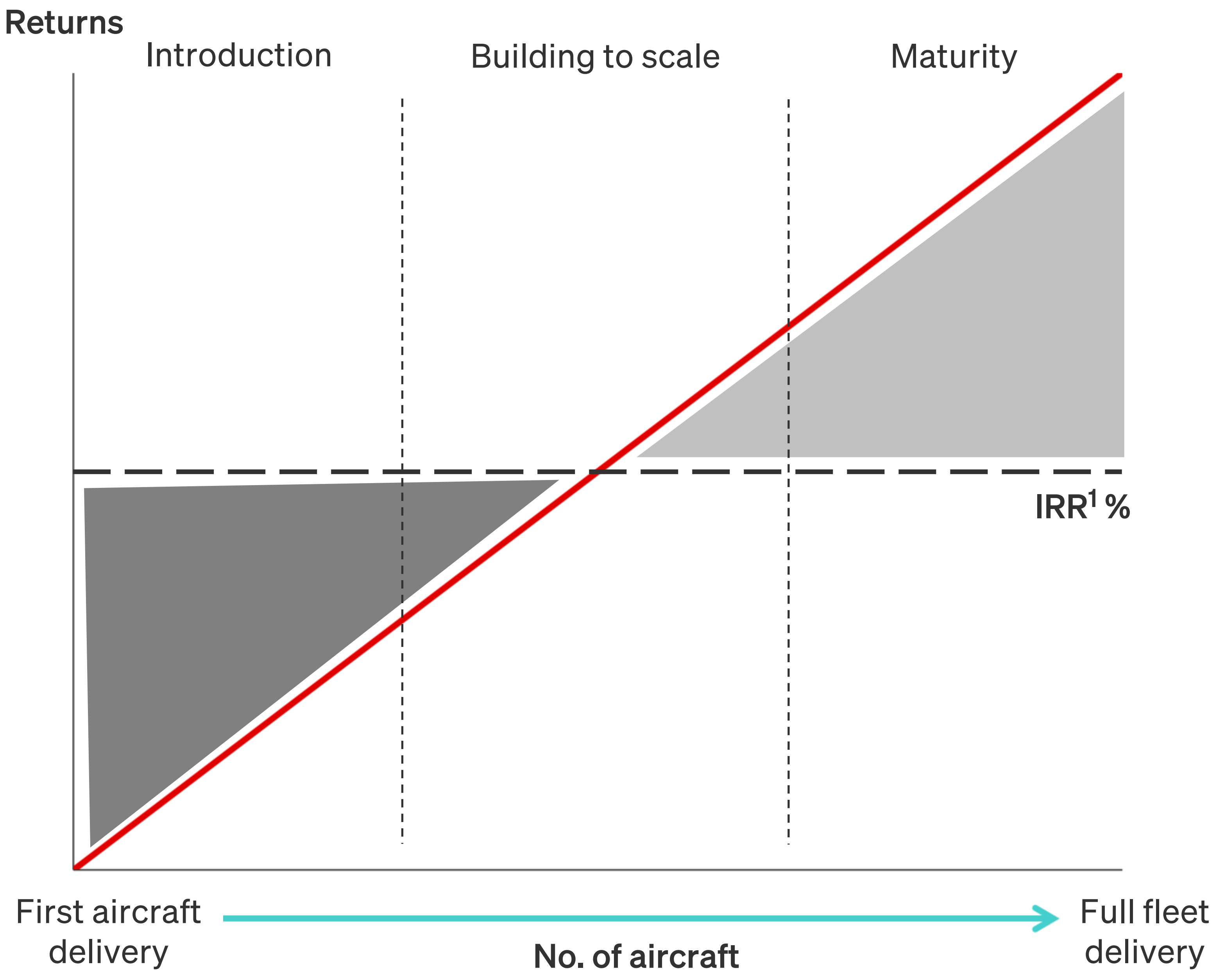
Carbon cost

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

1. Hedge position as at 14 February 2025 for remaining 2H25 (Fuel exposure excludes SAF).

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 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 limit network benefits
- Invested Capital is higher when asset values are not yet depreciated

Building to scale

- Focus on building scale to efficiently improve return towards IRR[1]
- 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. Internal Rate of Return.

Supplementary Segment Information

QANTAS GROUP

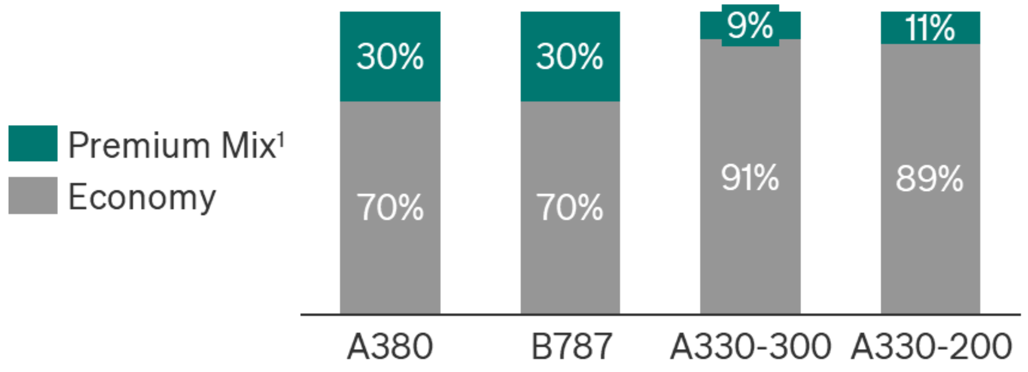
Qantas Domestic and International Overview

Qantas Domestic

- Consists of Qantas Domestic and QantasLink
- 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
  - 34 lounges across 23 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

- Consists of Qantas International and Qantas Freight
- 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
  - Strong 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
- Strong operational performance, customer service and profitability
- New fleet arrivals to provide the most fuel efficient aircraft per seat in Australia, and grow 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 and New Zealand

Jetstar International[3]

- Australian industry-leading LCC[1] capitalising on opportunities in Asia Pacific
- 100% owned by Qantas Group
- 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 B787s 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

- 49% owned by Qantas Group[2]
- Re-grown fleet to 13 aircraft
- Solid operational performance and customer service
- Challenged Financial position with high market capacity impacting revenue and supplier cost increases

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
  - Attracting 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)

Growing member base through broader and deeper engagement drives the flywheel faster

Redemption

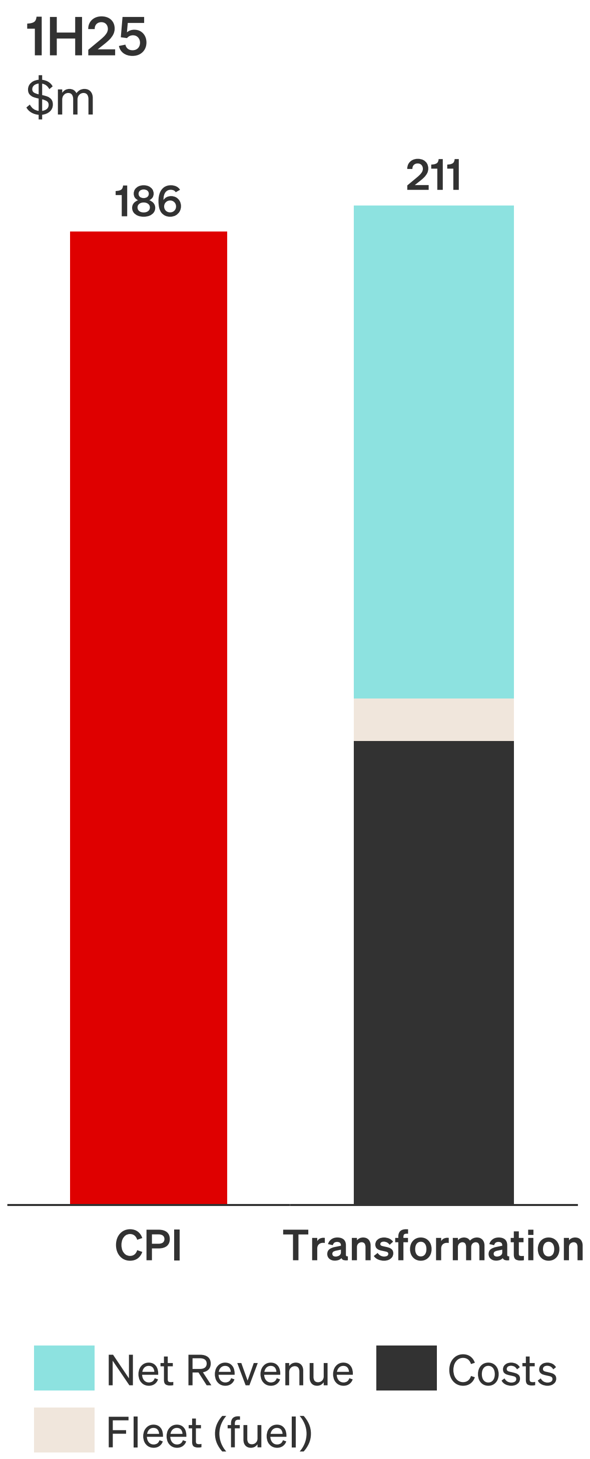
- Increase points earn through the flywheel effect from growth in overall redemptions
- Diversify redemption options that deliver more choice for members
  - Enhance flight reward propositions to meet member demand (e.g. Classic Plus)
  - Expand Hotels & Holidays propositions
  - Invest in tour and packages 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 attracting on-the-ground spend
- Targeted expansion to attract 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

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

Continuous delivery of transformation benefits



1H25 transformation highlights

- Increased efficiency (fuel and scale) on existing routes driven by new and mid-life aircraft deliveries
- Revenue Innovation – e.g. Flight Switch, Freight Products, Price Optimisation
- Commencement of Group Boarding in mainline domestic operations
- Installation of scimitar winglets on Qantas 737-800 fleet
- Data driven decision making – e.g. predictive maintenance
- Flight training transformation – SYD SIM centre, introduction of Virtual Reality training tools

Ongoing transformation focus for FY25+

Fleet & Network

- Introduction of Qantas A321XLR
- New aircraft delivery of Jetstar A321LR and A320neo, and QantasLink A220

Data & Digitisation

- Customer experience mobile first & digital optimisation
- Launch of engineering & catering supply chain systems

Ways of Working

- Efficient procedures at terminals and in flight e.g. ongoing fuel efficiency from reduction in APU[1] usage
- Engineering asset optimisation – i.e. base health checks, inventory optimisation

1. Auxiliary Power Unit.

1H25 Group and Group Domestic Traffic Statistics vs 1H24

		1Q25	1Q24	Change (%)	2Q25	2Q24	Change (%)	1H25	1H24	Change (%)
Total Qantas Group Operations										
Passengers Carried	'000	13,906	12,861	8	14,393	13,151	9	28,299	26,012	9
Revenue Passenger Kilometers	M	32,219	28,840	12	33,118	29,149	14	65,337	57,989	13
Available Seat Kilometres	M	38,010	34,556	10	38,428	34,768	11	76,438	69,324	10
Seat Factor	%	84.8	83.5	1.3ppts	86.2	83.8	2.4ppts	85.5	83.6	1.9ppts
Group Unit Revenue	c/ASK	10.8	11.4	(5)	11.8	11.9	(1)	11.3	11.7	(3)
Group Domestic										
Available Seat Kilometres	M	14,161	14,046	1	13,700	13,444	2	27,861	27,490	1
Group Domestic Unit Revenue Change	%			4			7			5
Qantas Domestic										
Passengers Carried	'000	5,541	5,455	2	5,578	5,429	3	11,119	10,884	2
Revenue Passenger Kilometers	M	6,624	6,667	(1)	6,577	6,532	1	13,201	13,199	–
Available Seat Kilometres	M	8,513	8,776	(3)	8,059	8,217	(2)	16,572	16,993	(2)
Seat Factor	%	77.8	76.0	1.8ppts	81.6	79.5	2.1ppts	79.7	77.7	2.0ppts
Jetstar Domestic										
Passengers Carried	'000	3,931	3,603	9	4,051	3,711	9	7,982	7,314	9
Revenue Passenger Kilometers	M	5,095	4,667	9	5,099	4,625	10	10,194	9,292	10
Available Seat Kilometres	M	5,648	5,270	7	5,641	5,227	8	11,289	10,497	8
Seat Factor	%	90.2	88.6	1.6ppts	90.4	88.5	1.9ppts	90.3	88.5	1.8ppts

1H25 Group International Traffic Statistics vs 1H24

		1Q25	1Q24	Change (%)	2Q25	2Q24	Change (%)	1H25	1H24	Change (%)
Group International										
Available Seat Kilometres	M	23,849	20,510	16	24,728	21,324	16	48,577	41,834	16
Group International Unit Revenue Change	%			(10)			(3)			(7)
Qantas International										
Passengers Carried	‘000	2,022	1,820	11	2,206	1,972	12	4,228	3,792	11
Revenue Passenger Kilometers	M	13,130	11,722	12	13,704	12,187	12	26,834	23,909	12
Available Seat Kilometres	M	15,302	13,761	11	15,929	14,687	8	31,231	28,448	10
Seat Factor	%	85.8	85.2	0.6ppts	86.0	83.0	3.0ppts	85.9	84.0	1.9ppts
Jetstar International										
Passengers Carried	‘000	1,810	1,553	17	1,889	1,542	23	3,699	3,095	20
Revenue Passenger Kilometers	M	6,472	5,252	23	6,734	5,163	30	13,206	10,415	27
Available Seat Kilometres	M	7,428	6,113	22	7,578	5,881	29	15,006	11,994	25
Seat Factor	%	87.1	85.9	1.2ppts	88.9	87.8	1.1ppts	88.0	86.8	1.2ppts
Jetstar Asia										
Passengers Carried	‘000	602	430	40	669	497	35	1,271	927	37
Revenue Passenger Kilometers	M	898	532	69	1,004	642	56	1,902	1,174	62
Available Seat Kilometres	M	1,119	636	76	1,221	756	62	2,340	1,392	68
Seat Factor	%	80.2	83.6	(3.4ppts)	82.3	85.0	(2.7ppts)	81.3	84.3	(3.0ppts)

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 (Total Unit Cost) – 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

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.

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 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

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

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 7 for a reconciliation of Underlying PBT to Statutory PBT.

Unit Cost (ex-fuel) – Underlying PBT less ticketed passenger revenue, fuel, impact of discount rate changes on provisions and share of net profit of investments accounted under the equity method per ASK

Unit Revenue – See RASK

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