



24 August 2023

ASX Market Announcements Office  
Australian Securities Exchange Limited

**Lodged electronically via ASX Online**

**Qantas Group FY23 Investor Presentations**

Qantas Airways Limited attaches the following documents:

- Qantas Group FY23 Investor Presentation; and
- Qantas Group FY23 Investor Presentation – Supplementary.

Yours faithfully,

Andrew Finch  
**Group General Counsel and Company Secretary**

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**Authorised for release by Qantas' Board of Directors**



# FY23 RESULTS PRESENTATION



Qantas Airways Limited  
24 August 2023

ASX: QAN  
US OTC: QABSY

# Disclaimer

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## Summary information

This Presentation contains summary information about Qantas and its related bodies corporate (Qantas Group) and their activities as at 24 August 2023, unless otherwise stated. The information in this Presentation does not purport to be complete. It should be read in conjunction with the Qantas Group's Appendix 4E and Preliminary Final Report for the year ended 30 June 2023, along with other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://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 2023 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 full year ended 30 June 2023 which is being audited by the Group's independent Auditor and is expected to be made available in September 2023.

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 30) and the Appendix 4E and Preliminary Final Report for the year ended 30 June 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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This Presentation is not, and should not be considered, an offer or an invitation to acquire Qantas shares or any other financial products.

# FY23 result highlights

**\$2,465m**

FY23 Underlying Profit Before Tax (PBT)

**\$2.89b**

Net Debt as at Jun-23

Up to **\$500m**

On-market share buy-back announced

**96c**

Statutory EPS

**FY23 result driven by strong travel demand and completion of \$1b Recovery Plan**



- Qantas Domestic and International achieved FY24 EBIT margin targets, with 2H Loyalty and Jetstar Group performance<sup>1</sup> demonstrating pathway to FY24 targets
- FY23 Group capacity at 77% of pre-COVID levels<sup>2</sup>, +44ppts higher than FY22
  - Group Domestic 103% and Group International 81% as at Jun-23<sup>2</sup>
- Three-year Recovery Plan complete, delivering \$1b permanent cost benefits
- Operating cash flow of \$5.1b driven by structural change in earnings and working capital rebuild
- Net Debt at \$2.89b, below Net Debt Target Range of \$3.7b – \$4.6b
  - Net Debt/EBITDA of 0.6x<sup>3</sup>
- Completion of \$1b in shareholder distributions during FY23

**Continued improvement in operations, investing for our customers and rewarding our people**



- Qantas Domestic OTP outperformed main competitor<sup>4</sup> in 11 out of 12 months, Jetstar Domestic OTP and cancellations restored to target levels<sup>5</sup>
- Delivery of 10 next-generation aircraft across Qantas and Jetstar<sup>6</sup>
- Announced commitments to renew Qantas widebody fleet, with deliveries commencing from FY27
- Qantas Domestic NPS returning to pre-COVID levels, with stronger recovery in International NPS in 2H23
- >2m passengers flown below \$200 on Qantas Domestic, Jetstar Group sold ~9m fares below \$100 and Loyalty offered up to 50% more Classic Flight Rewards seat availability<sup>7</sup>
- \$340m<sup>8</sup> of benefits in recovery boost payments and RRP shares across ~21,100 employees plus >\$20m in staff travel credits
- Significant enhancement and investment in employee benefits including staff travel and learning and development

# FY23 performance demonstrates portfolio strength



## Group Domestic

- Dual brands at the core of the Group's domestic position with leadership position across all key travel segments
- Group Domestic Operating Margin of 16%, delivered through cost transformation and network optimisation



## Group International (including Freight)

- Transformed business with new fleet technology unlocking unique network opportunities and extending competitive advantage
- Group International FY23 Underlying EBIT of \$1.06b driven by cost transformation, step-change in freight earnings and strong travel demand



## Loyalty

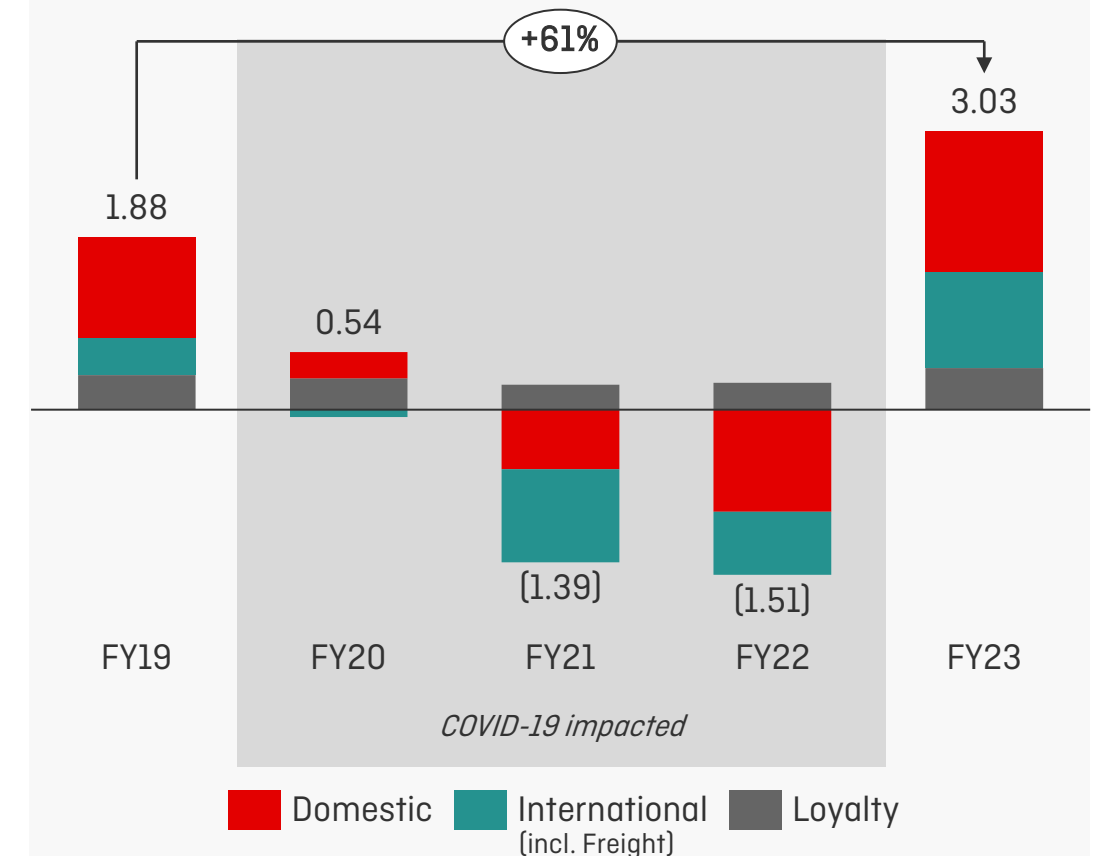
- World-leading program with strategy to grow earnings through member engagement and an unrivalled coalition of partners<sup>1</sup> (>700)
- \$1.0b free cash flow contribution with FY23 result demonstrating growth potential and earnings diversification benefits



## Financial & Fleet

- Balance Sheet strength is a competitive advantage with Financial Framework prioritising investment, distributions and supporting ambitious sustainability targets
- Flexible fleet plan with next-generation technology secured to support fleet renewal and growth
- FY23 Net Debt/EBITDA of 0.6x<sup>2</sup>, with total sources of liquidity of >\$10b<sup>3</sup>

## Portfolio Segment EBIT (\$B)



# Travel intentions have remained consistently strong

## 1 Intent to travel remains significantly above pre-COVID levels<sup>1</sup>

 **2x more** plan to fly domestically in the next 12 months

 **+80%** plan to fly internationally in the next 12 months

## 2 This is demonstrated in the Group's revenue intakes<sup>2</sup> strength

- Group Domestic at 119% of pre-COVID levels (118% in May23<sup>3</sup>)
- Group International 124% of pre-COVID levels (123% in May23<sup>3</sup>)

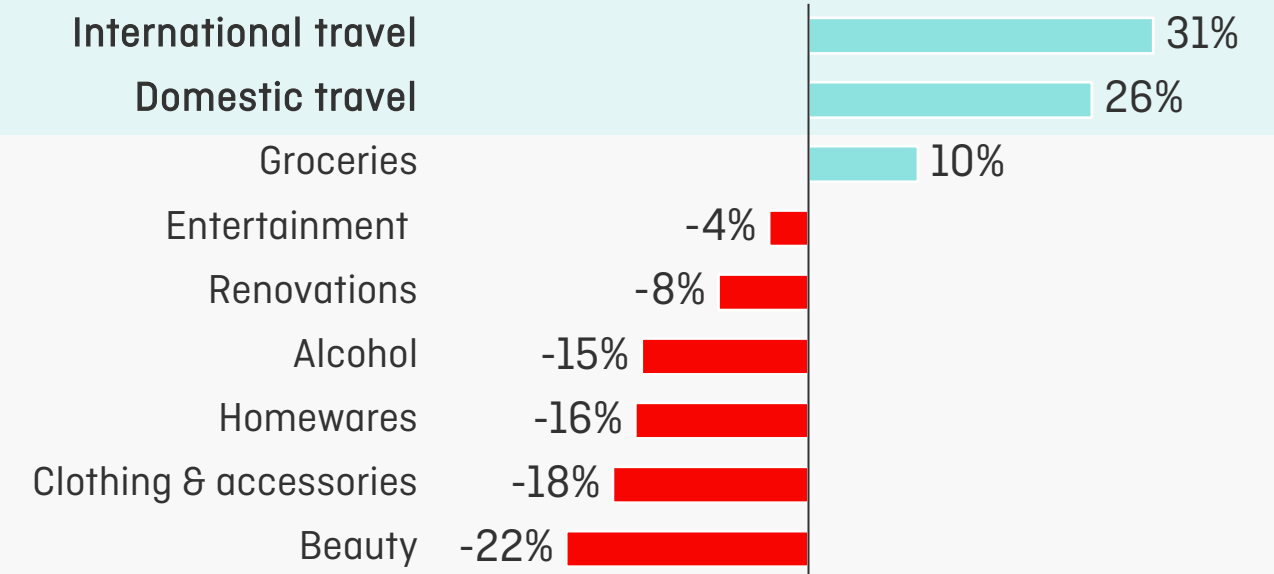
## 3 QFF members continuing to prioritise spend on travel<sup>4</sup>

- Despite reduced spending intentions across most categories, travel continues to remain a priority

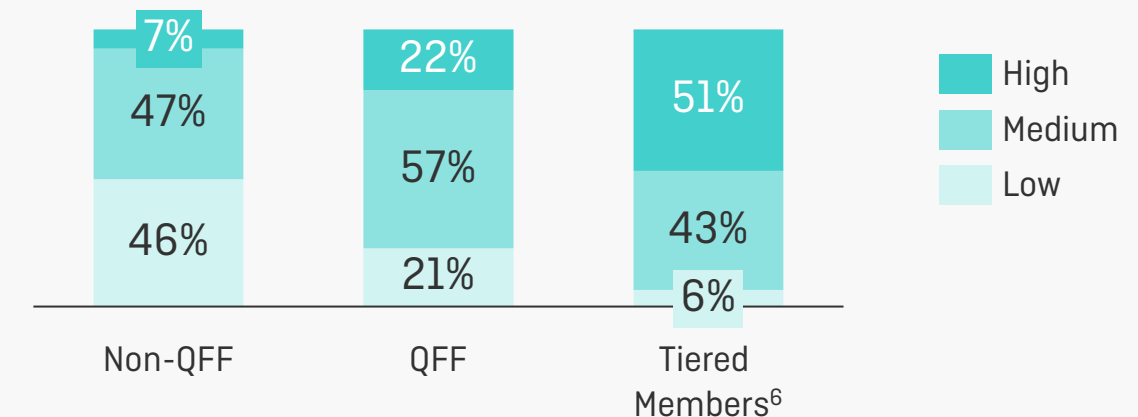
## 4 A high proportion of QFF are medium and high affluence, particularly tiered members<sup>5</sup>

- Higher affluence consumers continue to spend proportionally more on travel

## 3 QFF net spend intentions in the next 6 months<sup>4</sup>

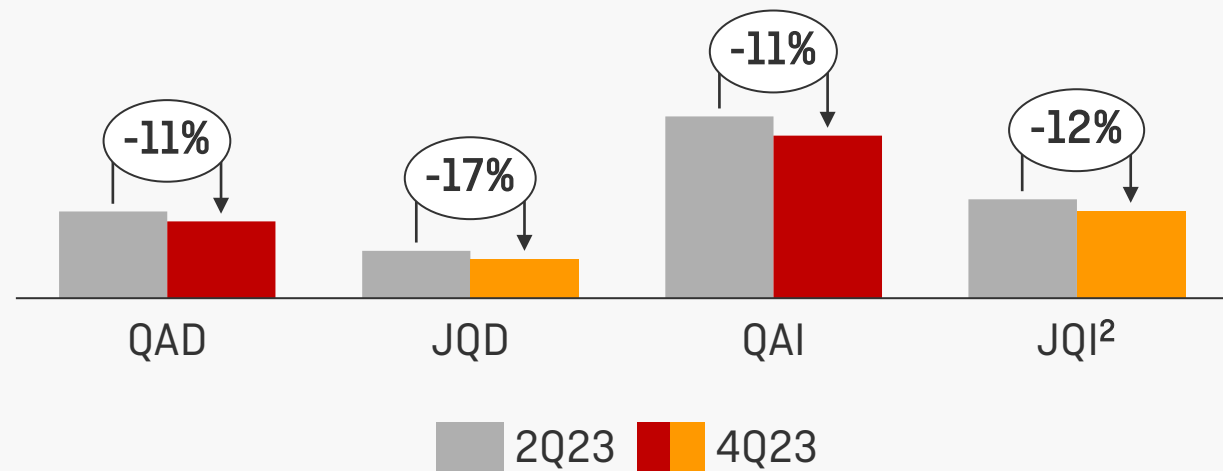


## 4 Affluence distribution for QFF vs Non-QFF members<sup>5</sup>



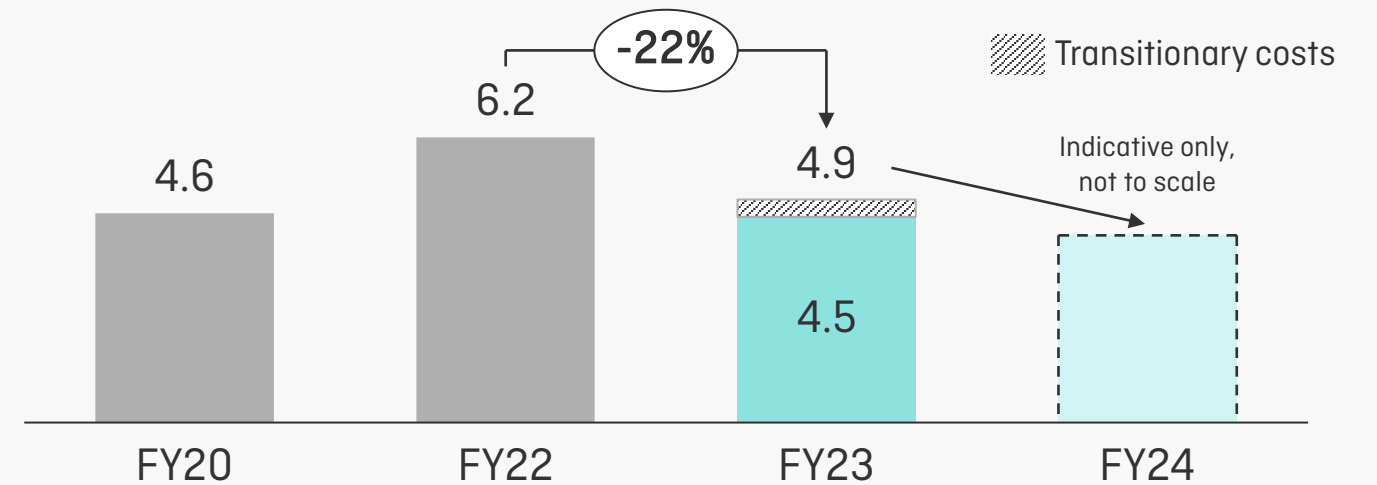
# Fares and costs moderating with restoration of capacity

### Average Domestic and International fares<sup>1</sup>



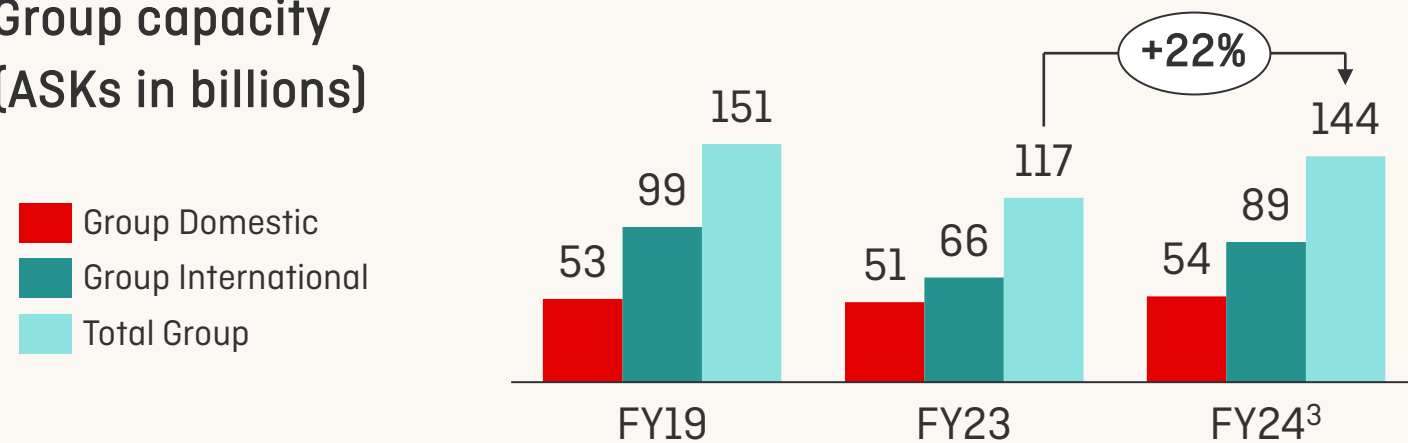
- Passenger fares continue to moderate with restoration of market capacity in line with expectations

### Unit Cost (C/ASK) ex. fuel and depreciation



- Unit cost continue to reduce with restoration of capacity, reversal of transitional costs and full benefit of \$1b Recovery Plan

### Group capacity (ASKs in billions)



- **Group Domestic:** Australian domestic market capacity largely restored to pre-COVID levels with growth in Jetstar in FY24
- **Group International:** Recovery underpinned by continued recovery in Qantas with 14<sup>th</sup> 787-9, return of A380s and strong growth in Jetstar with introduction of A321LRs, optimising redeployment of 787-8s

# Leading domestic on-time performance whilst restoring capacity



#1  
in FY23

Most reliable major domestic airline<sup>1</sup>

- 11 out of last 12 months with the best OTP
- Lowest cancellation rate in FY23

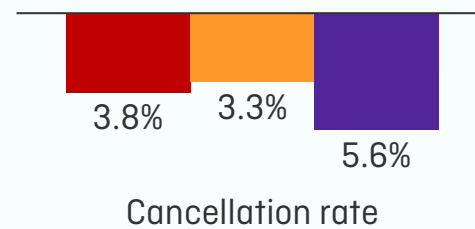
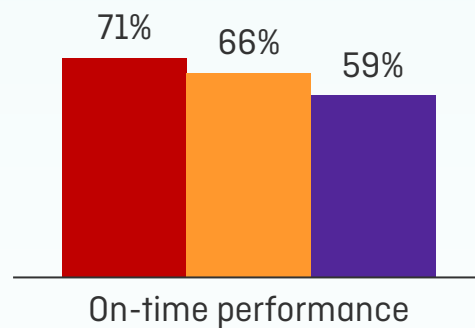
72%

Qantas Domestic on-time performance<sup>2</sup>

3.4%

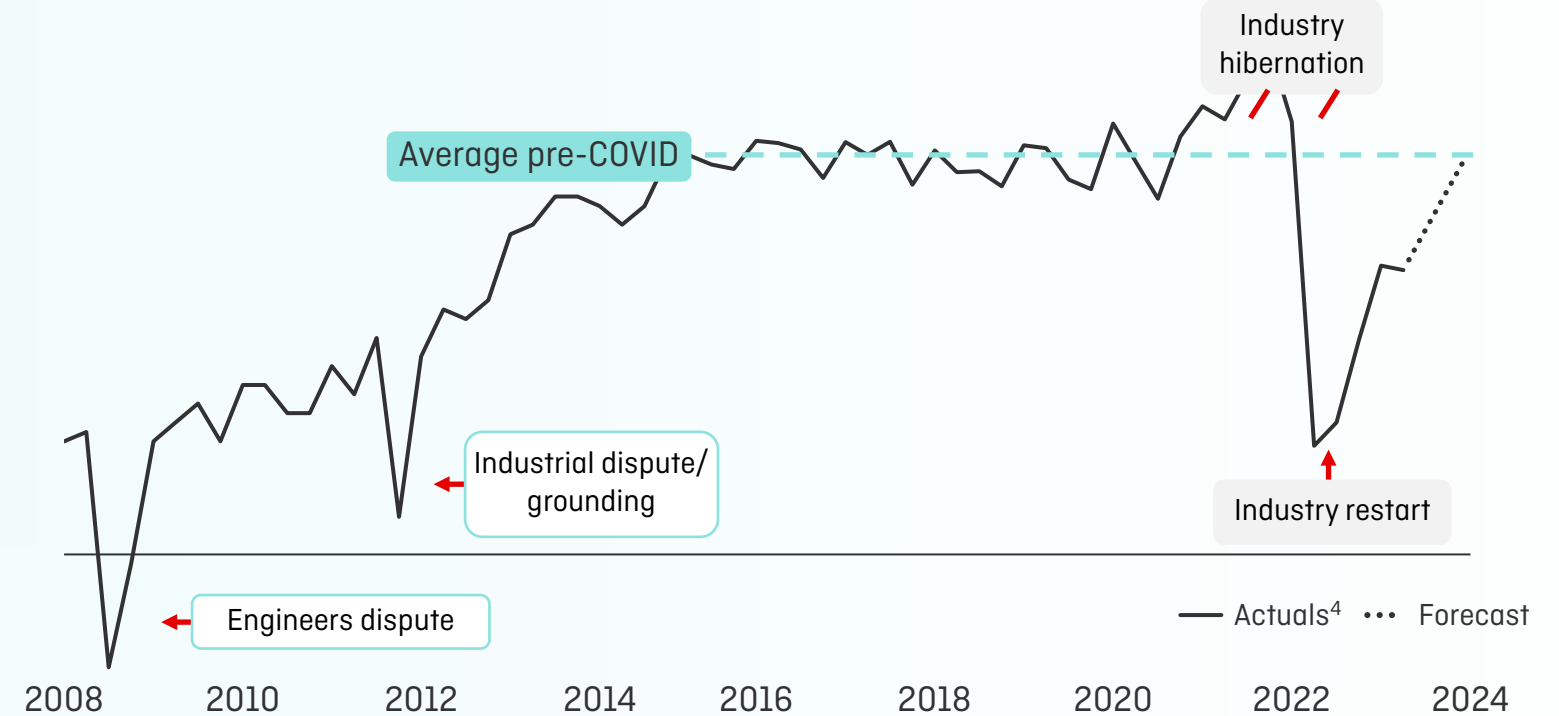
Qantas Domestic cancellation rate<sup>2</sup>

## July 2023 performance<sup>3</sup>



Qantas Domestic Jetstar Domestic Virgin Australia

## Qantas Domestic NPS returning to pre-COVID levels



## Delivering improved operational performance will:



Reduce disruption recovery costs



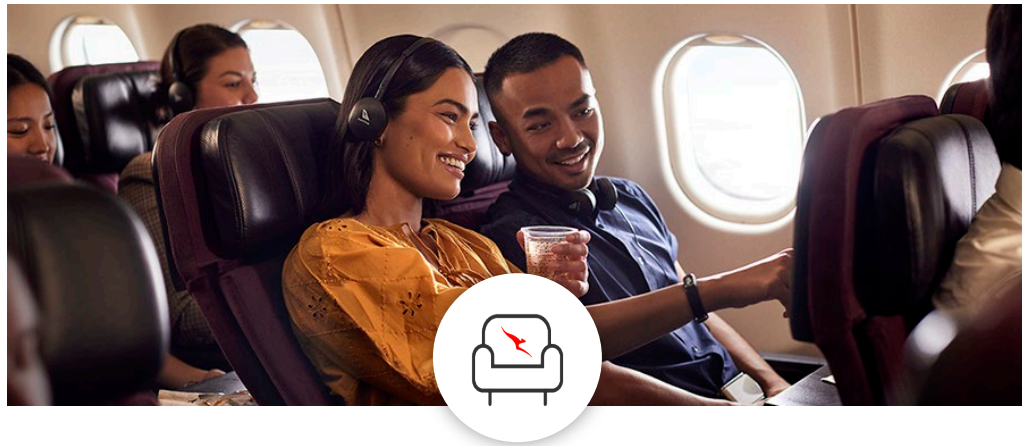
Improve customer experience through more seamless travel experiences



Enable increased aircraft utilisation delivering additional earnings



# Sharing the benefits of recovery with all our stakeholders



## Customers

- Multi-year investments for integrated physical and digital customer experience across both Qantas and Jetstar, e.g. Qantas App including baggage tracking by end of calendar year
- Delivery of 10 next-generation aircraft across Qantas and Jetstar<sup>1</sup>
- Enhanced food and beverage offerings network-wide with First Nation and regional Australian producers
- \$100m investment on lounges with 10 new or refurbished lounges within 3 years
- Up to 50% more Classic Flight Rewards seat availability on Qantas' international routes<sup>2</sup>



## People

- \$340m<sup>3</sup> of benefits in recovery boost payments and RRP shares across ~21,100 employees plus >\$20m in staff travel credits
- Enhanced staff travel benefits including 'always on' 20% off Qantas Fly and Stay Holiday packages and travel insurance discounts<sup>4</sup>
- Significant fleet and related growth plans provide promotional opportunities for our people
- Investing in training for 7,500 leaders over the next two years and completing ~2m training hours across the group in calendar year 2023

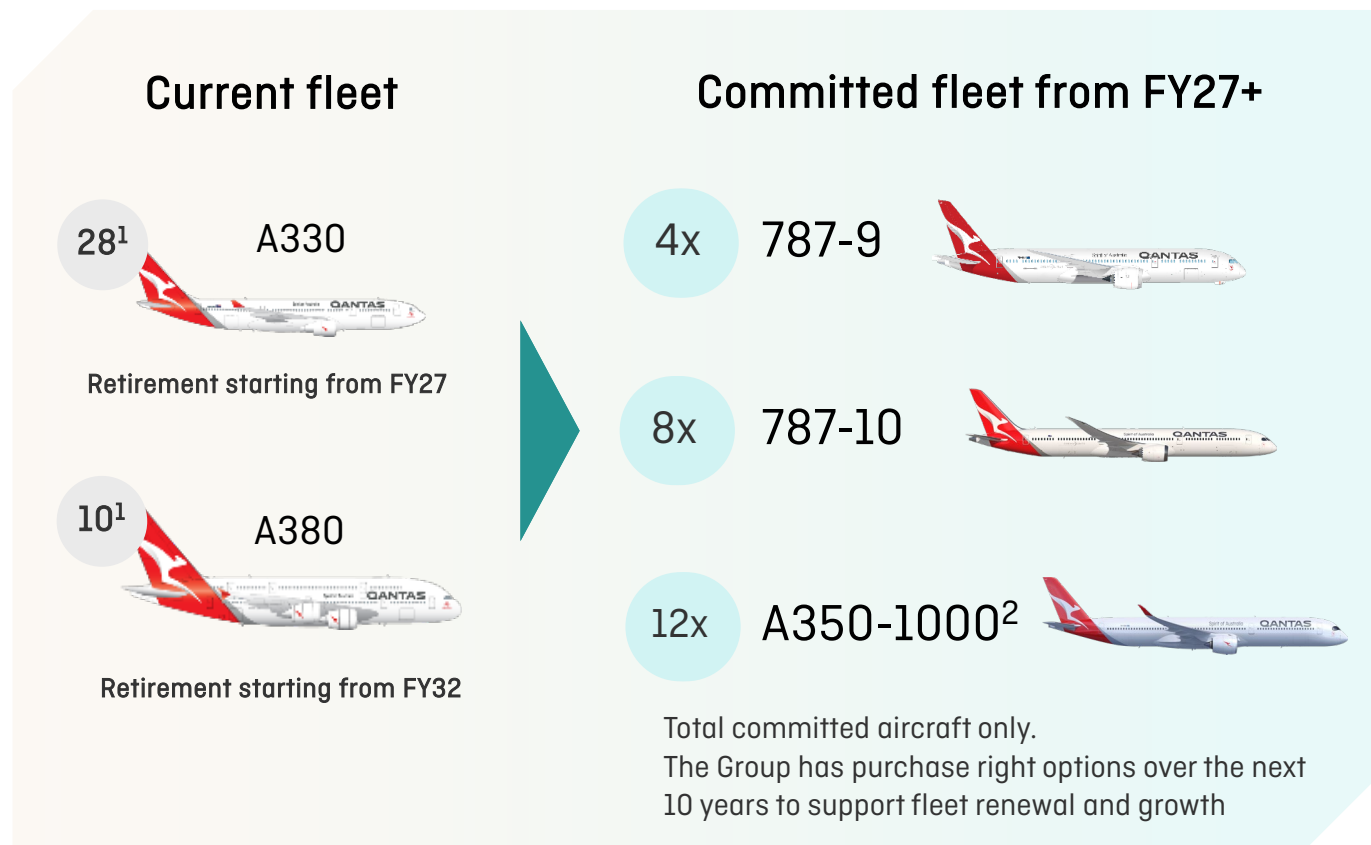
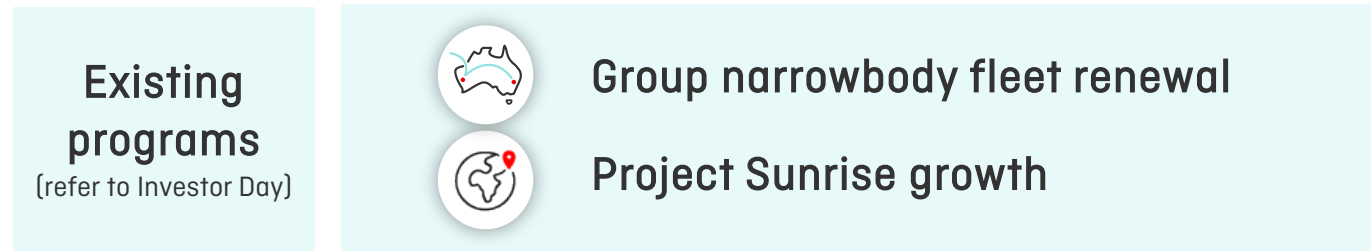


## Shareholders and lenders

- Three-year Recovery Plan complete, delivering \$1.0b permanent cost benefits
- Balance Sheet strength, Net Debt at \$2.89b, materially below Net Det Target Range of \$3.7b – \$4.6b, Net Debt/EBITDA of 0.6x<sup>5</sup>
- Completed \$1.0b in shareholder distributions in FY23, with up to \$500m on-market share buy-back announced for 1H24
- Top quartile TSR performance across ASX100 and ranked 1st amongst global listed airline peer group through post-COVID recovery<sup>6</sup>

# New fleet technology driving long-term structural advantage and future earnings

## Group fleet strategy secured



## New widebody commitments (further details in media release)

- Optimal time for widebody fleet renewal
  - A330/A380s retiring at the end of their economic life
  - Strong Balance Sheet and transformed cost base
  - Leveraging pre-COVID purchase agreements to secure advantaged delivery slots and pricing with improved flexibility
- Order book has increased flexibility; now positioned to deliver fleet renewal and growth over the next 10+ years including purchase right options
  - Smooth profiles for pre-delivery payments with both manufacturers
  - Flexibility to shift the order book across aircraft types
  - Will apply the Financial Framework through the cycle to balance investment and shareholder returns
- Widebody fleet renewal provides access to next-generation technology
  - Opening new market opportunities, diversifying network with more routes and increasing fleet resilience and flexibility
  - Supports Qantas International EBIT growth through transformation benefits from new fuel efficient aircraft and growth in key markets and customer segments
- Airbus and Boeing providing priority access to SAF offtakes, significantly de-risking 2030 SAF target (see next slide)

# ESG: The Group's progress on our sustainability priorities



## Investor Day takeaways

- Launched \$400m Qantas Climate Fund to accelerate progress against targets
  - US\$200 million from jointly funded Qantas/Airbus SAF Partnership with remainder from Qantas
  - Providing direct investments in sustainability projects and technologies
- Call for Australian Government to introduce a SAF blending mandate and supportive policy to ensure development of a domestic SAF industry




## Further progress

- Significant policy progress with the Australian Government forming Jet Zero Council (including Qantas Group)
- First investments from Qantas Climate Fund; QLD biofuel production facility using sugar cane and WA Wheatbelt Connect (with Inpex and ANZ)
- Embedding new integrity-focused carbon offset framework – new governance initiatives, minimum sourcing standards and principles, due diligence and ongoing portfolio assurance



## Today's announcement

- Partnering with Airbus and Boeing to deliver on our 2030 targets
- The agreement has identified a pathway to meet up to 90% of our 2030 SAF target of 10% of the Group's fuel mix, with initial supply to begin in 2028<sup>1</sup>
- Supply will predominantly be in the US, which has a supportive policy environment that enables a more competitive SAF price compared with other parts of the world

 Further details of our progress available in our FY23 Sustainability Report – due for release September 2023

# FINANCIAL PERFORMANCE



## FY23 Key Group financial metrics

### Profit Metrics

**\$2,465m**

Underlying profit before tax

**\$1,744m**

Statutory profit after tax

**96c**

Statutory EPS

**13.5%**

Operating Margin

### Balance Sheet and Cash Flow metrics

**\$5.09b**

Operating cash flow

**\$2.67b**

Net Capital Expenditure

**\$2.89b** (target \$3.7b - \$4.6b)

Net Debt

**0.6x<sup>1</sup>**

Net Debt / EBITDA

### Key statistics (vs FY22)

**+132%**

ASKs

**+184%**

RPKs

**+30%**

Unit Revenue

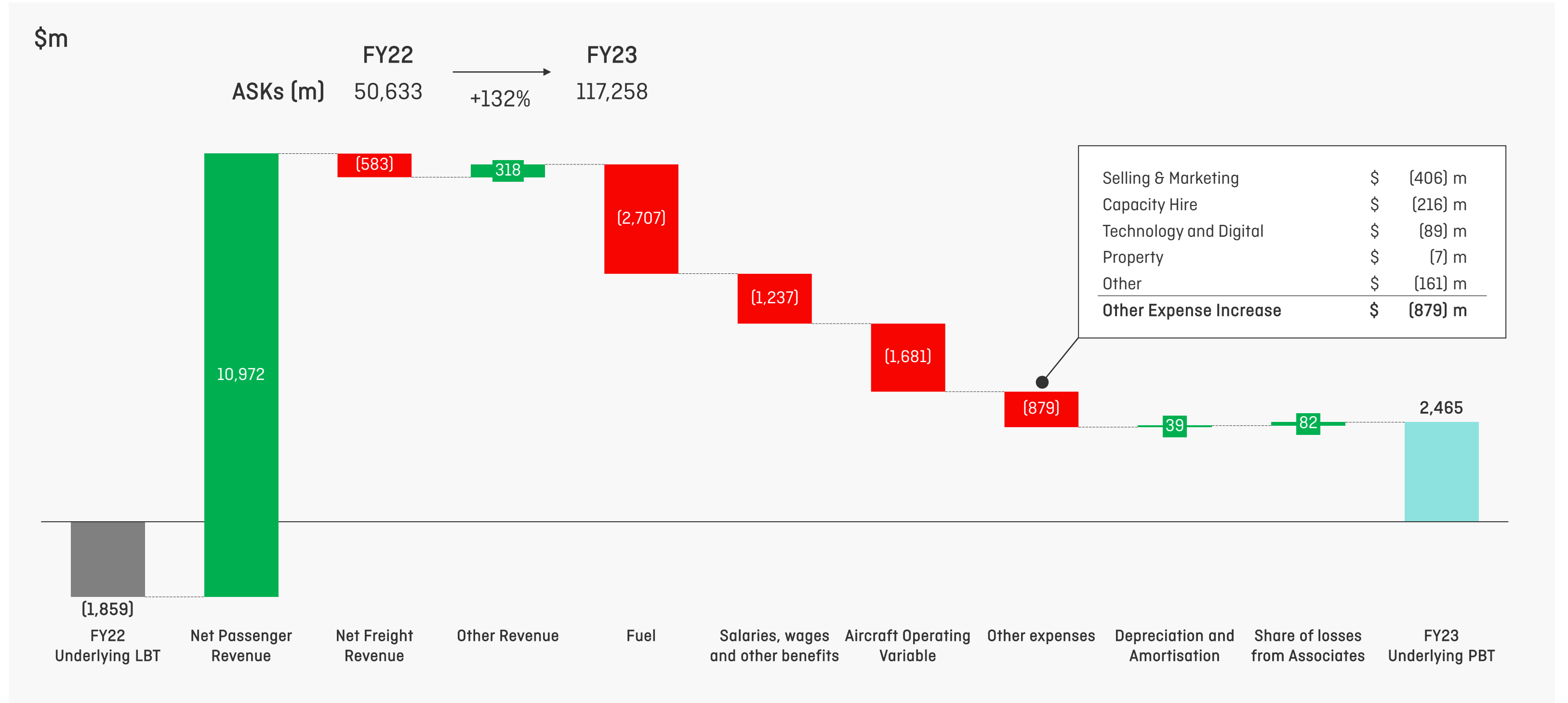
**[23%]**

Total Unit Cost

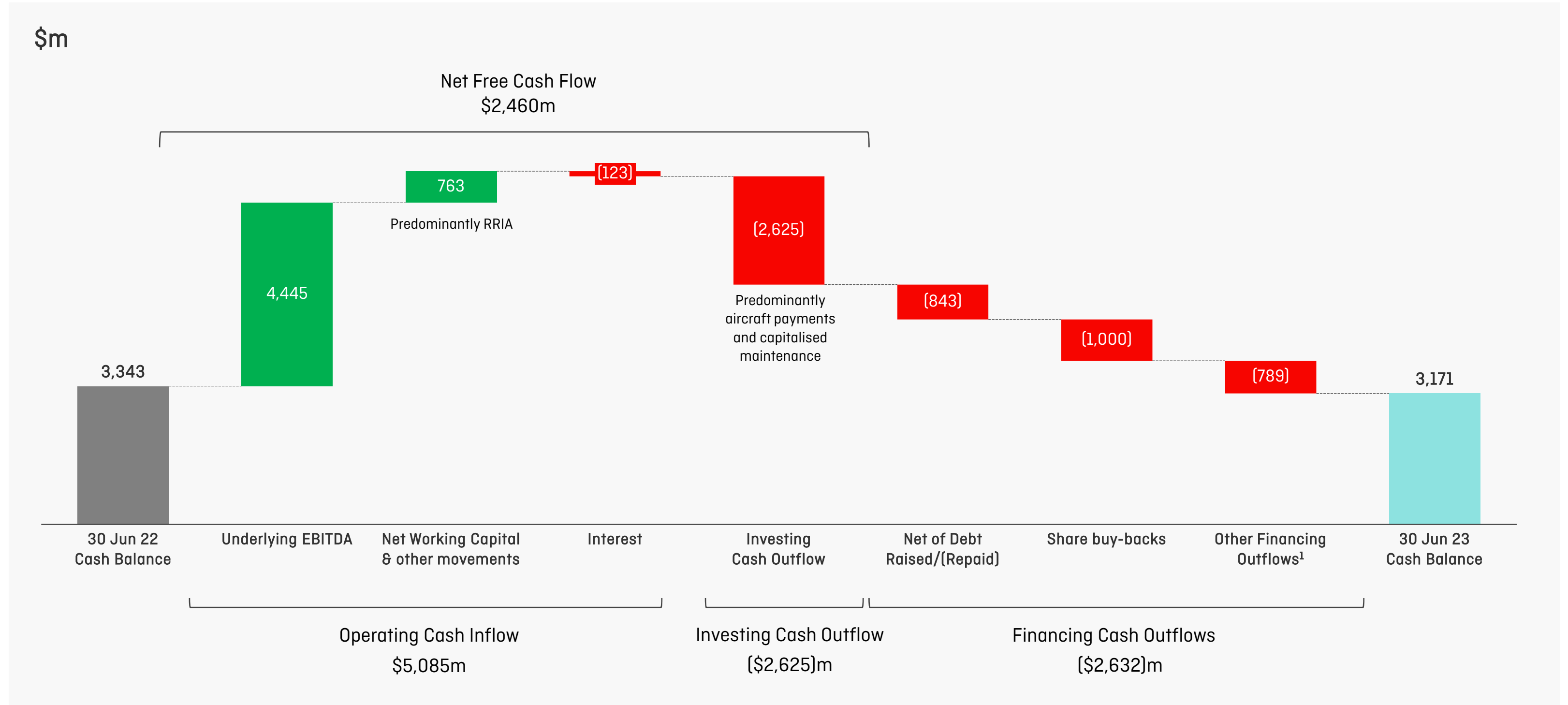
**[22%]**

Unit Cost (ex-fuel & depreciation)

# FY23 Profit bridge compared to FY22



# FY23 movement in cash position



# SEGMENT RESULTS





# Qantas Domestic

|                  |     | FY23   | FY22   | Change    |
|------------------|-----|--------|--------|-----------|
| Revenue          | \$M | 6,980  | 3,448  | >100%     |
| Underlying EBIT  | \$M | 1,270  | (765)  | >100%     |
| Operating Margin | %   | 18.2   | <0     | N/A       |
| ASKs             | M   | 32,513 | 21,233 | +53%      |
| Seat factor      | %   | 76.2   | 60.9   | +15.3ppts |

**+6 ppts** 2H23 capacity vs 1H23 capacity (as % of pre-COVID<sup>1</sup>)

**18%** Operating Margin delivering against segment target

**77%** 2H23 OTP, outperforming main competitor<sup>2</sup> in 11 out of 12 months

## Transformed domestic business delivering step-change in earnings

- Underlying EBIT of \$1,270m delivered in FY23, achieving 18% Domestic EBIT margin target
- 2H23 capacity 99% of pre-COVID levels (1H23 93%)
- Recovery Plan transformation completed, unlocking \$472m of structural benefits
- Structural network changes delivering permanent RASK benefit in addition to current strong demand environment
  - Maintaining leading market share positions across corporate and SME (80% and 54% respectively)
  - Continued strength of WA resources market resulting in commitment to 5 x A319 aircraft to Network Aviation

## Continued improvement in operational performance and customer experience

- Market leading OTP and cancellation rate supporting NPS recovery
- Domestic fleet renewal program commencing with introduction of next generation A220-300 and A321XLR aircraft from FY24
  - QantasLink 717s retirement program commenced May 2023
- More than 2 million passengers flown with fares sold below \$200

# Qantas International (including Freight)

|                  |     | FY23   | FY22   | Change    |
|------------------|-----|--------|--------|-----------|
| Revenue          | \$M | 7,749  | 3,706  | >100%     |
| Underlying EBIT  | \$M | 906    | [238]  | >100%     |
| Operating Margin | %   | 11.7   | <0     | N/A       |
| ASKs             | M   | 45,187 | 12,187 | >100%     |
| Seat factor      | %   | 85.7   | 75.4   | +10.3ppts |

+14  
ppts

2H23 capacity vs 1H23 capacity (as % of pre-COVID<sup>1</sup>)

>10%

Operating Margin, delivering step-change segment in EBIT

92%

Premium cabin seat factor (+2ppts vs FY19)

## Continued restoration of International capacity driving earnings growth

- 12% Operating Margin, above FY24 target of 8%, given strength of revenue environment
- 2H23 capacity 72% of pre-COVID levels (1H23 58%)
- +10 ppt half on half improvement in International OTP
- Recovery Plan transformation completed, unlocking \$484m of structural benefits
- Two new 787-9s and 7th reconfigured A380 entered into service in 4Q23
- Commencement of new routes including Melbourne-Jakarta, Melbourne-Dallas/Fort Worth, Sydney-Seoul, Sydney-Auckland-New York and Sydney-Bengaluru
- Return of services including Sydney/Melbourne/Brisbane-Tokyo, Sydney-Santiago, Sydney-Hong Kong and Sydney-San Francisco
- Commencement of codeshare partnership with Indigo, supporting non-stop Australia-India services
- Final determination from ACCC supporting continued coordination between Qantas and Emirates for a further five years

## Resilient Freight performance in line with expected market moderation

- Delivered ~\$150m uplift in annual earnings vs pre-COVID period
- 4Q23 freight yields continue to hold +150% vs FY19 average

# Jetstar Group

|                          |     | FY23   | FY22   | Change    |
|--------------------------|-----|--------|--------|-----------|
| Revenue <sup>1</sup>     | \$M | 4,235  | 1,440  | >100%     |
| Underlying EBIT          | \$M | 404    | (796)  | >100%     |
| Operating Margin         | %   | 9.5    | <0     | N/A       |
| ASKs <sup>1</sup>        | M   | 39,558 | 17,213 | >100%     |
| Seat factor <sup>1</sup> | %   | 86.4   | 71.2   | +15.2ppts |

DOM

INT

97%

73%<sup>1</sup>

82% FY23 Jetstar Group capacity on pre-COVID levels<sup>3</sup>

11%

11%<sup>2</sup>

FY23 Operating Margin

4m

5m<sup>3</sup>

9m fares<sup>4</sup> below \$100 in FY23 on track for 10m fares<sup>4</sup> below \$100 in CY23

## Jetstar's Australian domestic network delivered \$255m Underlying EBIT, 2H23 \$125m

- 11% Operating Margin, well positioned to achieve 15% FY24 margin target, given seasonality
- 2H23 capacity 100% of pre-COVID<sup>3</sup> levels (1H23 94%)<sup>3</sup>
- FY23 ancillary revenue<sup>5</sup> growth of +37% vs pre-COVID<sup>3</sup>

## Jetstar's international network delivered a \$149m Underlying EBIT

- \$166m FY23 EBIT profit on Jetstar's Australian international business<sup>2</sup>, 11% margin
  - Launched Sydney-Raratonga with A321LR and announced Melbourne-Fiji and Brisbane-Osaka, Tokyo and Seoul through airport partnership and long-term incentive agreement
- Jetstar Asia strong profitability with ROIC greater than WACC. Additional 2 aircraft in 1H24
- NZ Domestic profitable, but concerns about future airport investment plans
- [\$54m] share of Jetstar Japan statutory loss, including [\$12m] adverse FX impacts<sup>6</sup>, with a \$30m improvement in underlying result versus FY22. Forecast return to profitability in FY24

## Investing in customer experience and operational performance

- Improvements in operational performance in recent months, despite challenges with Air Traffic Control and weather, supporting future reduction in temporary costs
- New Jetstar App launched in June and commenced roll out of local wireless in-flight entertainment
- 9 x A321LR<sup>7</sup> deliveries supporting improved reliability (99.4% dispatch reliability<sup>8</sup>), 20% fuel efficiency gains and enhanced customer experience with 50% noise reduction and other benefits

# Qantas Loyalty

|                              |     | FY23  | FY22  | Change    |
|------------------------------|-----|-------|-------|-----------|
| Revenue                      | \$M | 2,189 | 1,334 | +64%      |
| Underlying EBIT              | \$M | 451   | 292   | +54%      |
| Operating Margin             | %   | 20.6% | 21.9% | (1.3)ppts |
| QFF Members                  | M   | 15.2  | 14.1  | +8%       |
| Points Earned                | B   | 175   | 118   | +48%      |
| Points Redeemed <sup>1</sup> | B   | 155   | 93    | +67%      |

>1m

New QFF members added in the last 12 months

\$451m

Record Underlying EBIT result

>\$2b

Group cash contribution of gross receipts<sup>2</sup> in FY23

## Extending customer loyalty beyond flying

- >\$1.0b new bookings<sup>3</sup> in FY23 across Hotels, Holidays and Tours; up 90% vs FY22 following the expansion of the Qantas Holidays brand and substantially increasing redemption value to members
- Record points earned across Financial Services products; spend on Qantas Points earning credit cards recovered to >110% of pre-COVID levels<sup>4</sup>; ~250k new cards acquired (up 65% vs FY22); maintaining ~35% share of total credit card spend<sup>5</sup>
- Continued year on year growth in Qantas Insurance policies; 41% growth in total Health Insurance customers vs FY22; >60% increase in Travel Insurance policies sold vs FY22
- Operating margin returning to pre-COVID levels as Group capacity recovers – Qantas Loyalty does not generate profit on transactions between itself and Qantas Group airlines<sup>6</sup>

## Growing the member base through broader and deeper engagement

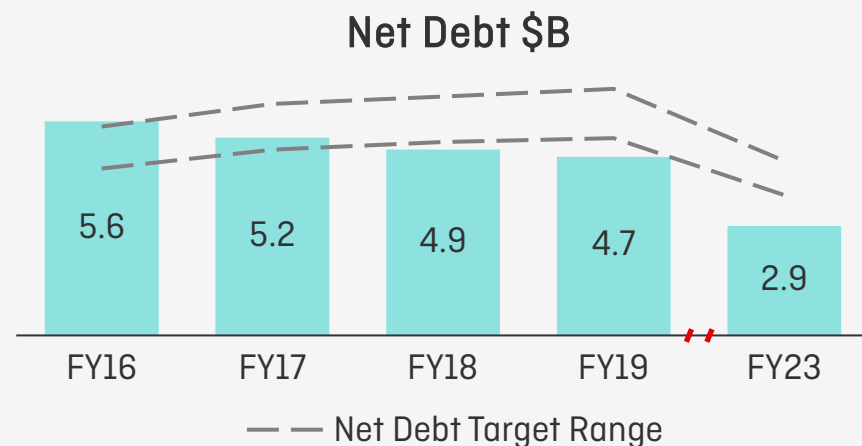
- QBR members growing by 19% to ~450k – capturing 1 in 5 Australian SMEs
- +27% growth in members engagement through Qantas Mobile App vs FY22 – ~1.7m members per month during 4Q23
- ~2x increase in airline redemption activity vs FY22; returning to 117% of pre-COVID<sup>4</sup> levels
- Doubling of Classic reward seats redeemed on Qantas during FY23 vs FY22, supported by up to 50% more Classic Flight Rewards seat availability<sup>7</sup> – increasing the total number of flights booked using Qantas Points in FY23 to >6 million

# FINANCIAL FRAMEWORK



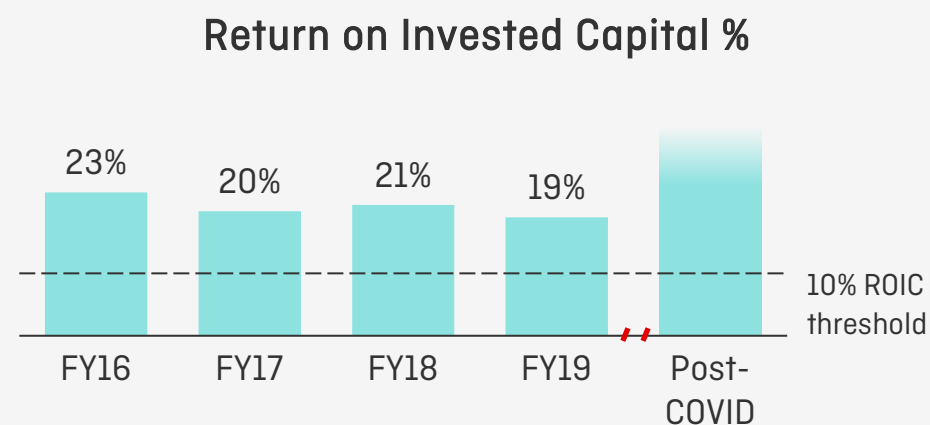
# Financial Framework drives ongoing discipline and governance

## 1 Maintain optimal capital structure



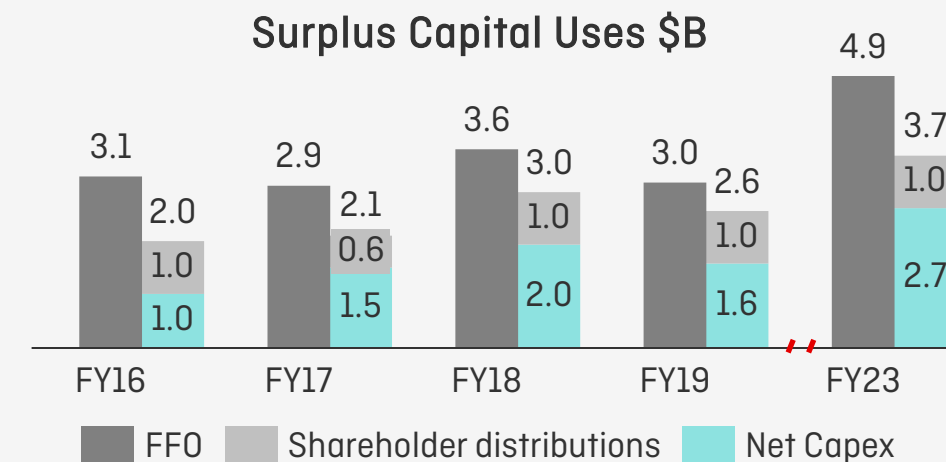
- Strong Balance Sheet settings
- Net Debt at \$2.89b versus Net Debt Target Range of \$3.7b – \$4.6b
- Investment grade credit rating of Baa2 stable (Moody's)

## 2 ROIC > WACC through the cycle



- Pre-COVID strong group portfolio earnings consistently delivered ROIC significantly >10%
- 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

## 3 Disciplined allocation of capital



- FY23 Net Capex of \$2.67b
- Completed \$1.0b of on-market share buy-backs in FY23

Net Debt will be managed back to optimal levels of 2.0x – 2.5x EBITDA where ROIC is 10%

Sustainable ROIC greater than pre-COVID

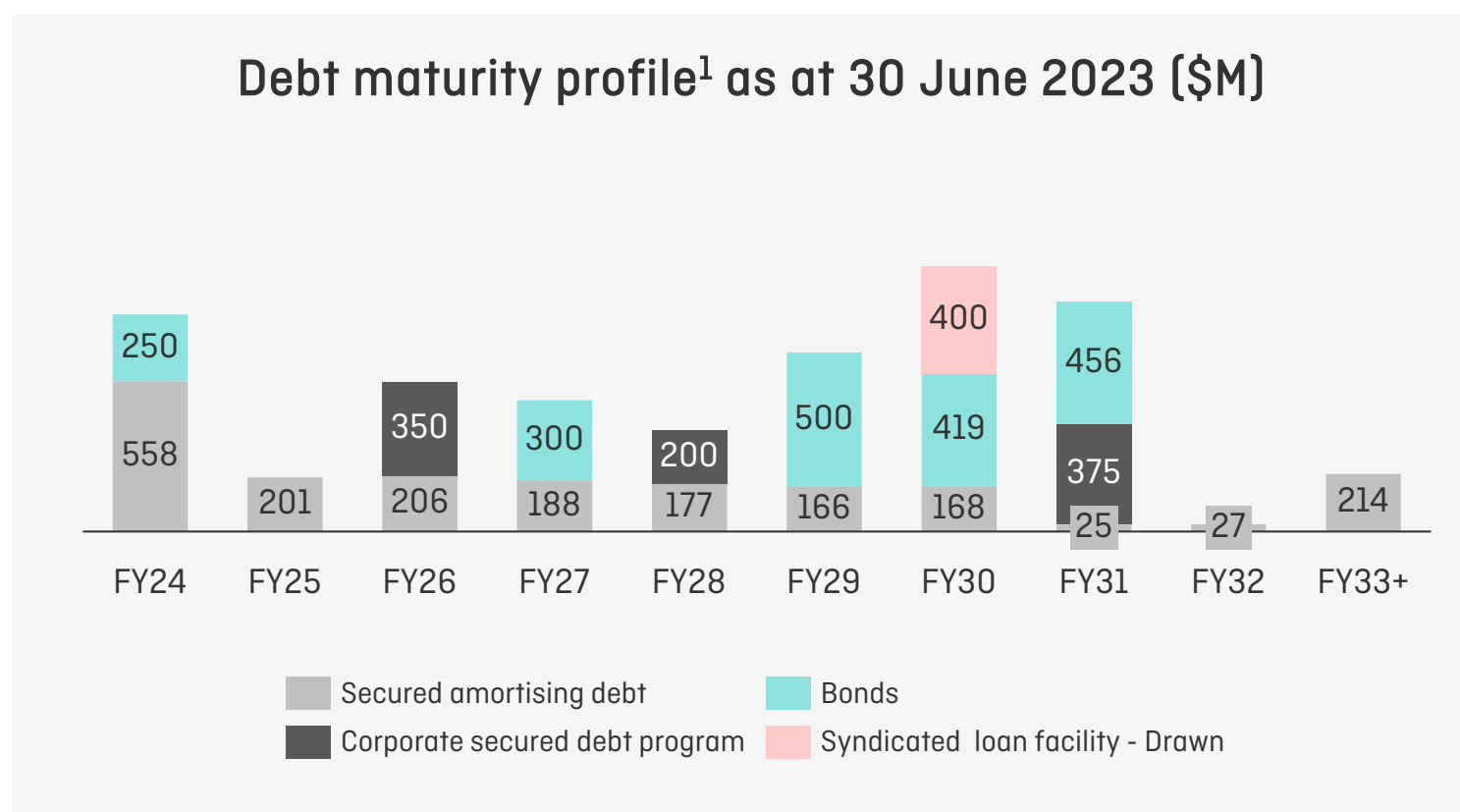
Capital allocation to prioritise fleet investment and shareholder distributions

# Maintaining an optimal capital structure



## Liquidity

- Total sources of liquidity >\$10b comprised of \$3.2b cash<sup>2</sup>, \$1.2b committed undrawn facilities<sup>3</sup> and >\$5.6b<sup>4</sup> unencumbered asset base
  - Unencumbered assets include ~\$4.1b of unencumbered aircraft (~62% of the Group fleet<sup>5</sup>), spare engines and other assets



## Gross Debt Structure

- Transactions in 2H23
  - Extended tenor by refinancing committed unsecured facilities up to 7 years
  - Secured cost effective financing for recent Boeing 787-9 deliveries
  - Reduced exposure to expensive operating leases
- Balance Sheet settings
  - Minimal refinancing risk across maturity profile
  - Flexibility to prepay secured debt and unencumber assets
- No financial covenants
- Moody's (Baa2) "stable" investment grade credit rating

# Robust financial risk management

## Operational Fuel and FX

- FY23 fuel cost at \$4.6b
  - Hedging strategy provided time to implement operational changes for RASK to offset record fuel prices
- 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
  - 1H24 fuel exposure is 75%<sup>1</sup> hedged through a combination of Brent outright options and collars

| '000 bbls                          | FY23          | FY22          | % Change   |
|------------------------------------|---------------|---------------|------------|
| Qantas Domestic                    | 7,277         | 4,718         | 54%        |
| Qantas International (ex. Freight) | 9,775         | 2,753         | 255%       |
| Qantas Freight                     | 1,350         | 2,490         | [46]%      |
| Jetstar Group                      | 6,329         | 2,923         | 117%       |
| <b>Total fuel consumption</b>      | <b>24,731</b> | <b>12,884</b> | <b>92%</b> |

## Capital Expenditure FX – Hedging of USD Fleet Payments

- Hedging remains consistent with long term approach to risk management
  - Preference for options to allow for high level of participation
- 1H24 is 60%<sup>1</sup> 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 3.95% p.a.

## Carbon cost

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



# Disciplined capital allocation to optimise shareholder value

Structural improvements to earnings will sustain higher levels of fleet investment and ongoing shareholder distributions



## FY24

- Allocating \$0.3b to fulfil employee retention and reward schemes on track to vest in August 2023
- FY24 Net Capex guidance of \$3.0b – \$3.2b reflecting
  - Continued investment in fleet renewal (see slide 25)
  - Non-aircraft capex of \$0.4b inclusive of Climate Fund and investment in lounges
- Shareholder distribution of up to \$0.5b for 1H24 via on-market share buy-back
- Company income tax instalment payments expected to recommence in 2H24

Future capital allocation to prioritise fleet investments and shareholder distributions



## FY25+

- Optimisation of balance sheet settings
  - Net Debt Target Range expected to progressively return to pre-COVID levels by FY25 as Invested Capital rebuilds
  - Targeting the bottom of the Net Debt Target Range
- Sustainable ROIC greater than pre-COVID, enabled by structural changes in earnings, fleet and working capital
- Expected to deliver surplus capital for distribution and investment
  - Fleet renewal program and Sunrise growth capex
  - Shareholder distributions delivered via the most optimal channel, with franking credit rebuild expected from FY25

# New aircraft deliveries and fleet flexibility

## New aircraft deliveries<sup>1</sup>

|   |                                   | FY24                     | FY25 | FY26 |
|---|-----------------------------------|--------------------------|------|------|
| Qantas  | A350-1000ULR<br>(Project Sunrise) |                          |      | 3    |
|   | 787-9                             | 1                        |      |      |
|   | A321neo-XLR                       |                          | 3    | 9    |
| Qlink <sup>2</sup>  | A220-300                          | 3                        | 4    | 11   |
| Freight <sup>3</sup>  | A321F                             | 3                        | 2    | 3    |
| Jetstar   | A321neo-XLR                       |                          |      | 3    |
|   | A321neo-LR                        | 7                        | 7    | 1    |
|   | A320neo <sup>4</sup>              |                          | 5    |      |
| Total committed aircraft                                    |                                   | 14                       | 21   | 30   |
| Total pre-delivery and final delivery payments <sup>5</sup> |                                   | ~US\$4.3b over FY24-FY26 |      |      |

Up to 45<sup>6</sup> retirements across FY24-FY26

## As outlined at Investor Day, new fleet technology driving long-term advantage

- New fleet capability unlocks new markets, including expanded point-to-point routes (through redeployment of existing fleet and improved route economics)
- Fleet renewal also delivers substantial transformation benefits and step-change in cost

## Fleet and capacity flexibility

- Delivery profile reflects the latest information as a result of supply challenges (including Pratt and Whitney engines)
- Ongoing management of aircraft delivery profile and retirement plans (up to 45<sup>6</sup> aircraft across FY24-FY26) provides flexibility for capacity
- In addition to new aircraft deliveries (refer to table), the Group has flexibility with
  - Up to 30 x E190s<sup>7</sup> and 2 x A330s<sup>8</sup> through wet leases
  - Acquisition of 7 x mid-life A319/A320 aircraft

## Financial Framework and fleet order book

- The Financial Framework will continue to guide our capital expenditure
- Fleet order book aligned with Financial Framework and progress towards our sustainability goals - including significant purchase right options from FY27+
- Order book flexibility supports various market demand scenarios

# OUTLOOK



# Outlook

## Portfolio outlook

- The Group is seeing strong trading into 1H24 with the Dual Brand strategy and Loyalty membership base uniquely positioning the Group to navigate macro-economic conditions
  - Travel has remained a priority with intent to travel domestically 2x pre-COVID levels and intent to travel internationally 60-80% above pre-COVID levels during the last 12 months<sup>1</sup>
  - Group Domestic leisure revenue intakes at 132% above pre-COVID levels<sup>2</sup>
  - Group Domestic business-purpose travel continuing to recover with Qantas Domestic revenue intakes at 107% of pre-COVID levels<sup>2</sup>, underpinned by resource strength and SME growth
  - Group International continuing to see strength underpinned by leisure, premium cabin demand and some substitution from domestic to international as fares moderate in line with capacity
    - The total international market capacity into Australia expected to restore to pre-COVID levels by 4Q24
- Qantas Loyalty on track to deliver FY24 EBIT target of \$500 – 600m, six months earlier than anticipated, Underlying EBIT >\$500m expected for calendar year 2023
- Remain committed to delivering FY24 targets (see slide 29)

## Group financial outlook

- 1H24 fuel cost expected to be \$2.6b<sup>3</sup> at current fuel prices inclusive of hedging
- The Group expects to recover recent increases in \$A Jet fuel price and maintains flexibility to adjust capacity settings further
- FY24 Depreciation and amortisation is expected to be \$1.8b
- FY24 Net finance costs are expected to be \$0.23b
- Approximately \$400m in transitional costs incurred in FY23 to unwind in FY24
- Targeting transformation of >\$300m in FY24 to offset CPI
- Net Debt expected to increase in FY24 but remain below the bottom of the Net Debt Target Range
  - The Net Debt Target Range is expected to increase as Invested Capital rebuilds

# Outlook

## Guidance Tables

| Capacity Guidance <sup>1</sup><br>(as a % of pre-COVID) | 1Q24        | 2Q24        | 3Q24        | 4Q24        | 1H24        | 2H24        | FY24        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Group Domestic</b>                                   | <b>104%</b> | <b>103%</b> | <b>104%</b> | <b>102%</b> | <b>103%</b> | <b>103%</b> | <b>103%</b> |
| Qantas Domestic   | 101%        | 99%         | 99%         | 99%         | 100%        | 99%         | <b>99%</b>  |
| Jetstar Domestic  | 109%        | 111%        | 112%        | 110%        | 110%        | 111%        | <b>110%</b> |
| <b>Group International (ex. JSA)</b>                    | <b>86%</b>  | <b>92%</b>  | <b>98%</b>  | <b>103%</b> | <b>89%</b>  | <b>100%</b> | <b>95%</b>  |
| Qantas International                                    | 79%         | 87%         | 92%         | 95%         | 83%         | 93%         | <b>88%</b>  |
| Jetstar International (ex. JSA) <sup>2</sup>            | 112%        | 110%        | 118%        | 130%        | 111%        | 124%        | <b>117%</b> |
| Jetstar Asia (JSA)                                      | 34%         | 37%         | 45%         | 44%         | <b>35%</b>  | <b>45%</b>  | <b>40%</b>  |

| Qantas Loyalty               |   | Target FY24 |
|------------------------------|---|-------------|
| Points Earned                | B | >180        |
| Points Redeemed <sup>3</sup> | B | >180        |

| Capital Expenditure     | FY24            |
|-------------------------|-----------------|
| Net Capital Expenditure | \$3.0b - \$3.2b |

| Financial Risk Management <sup>4</sup> | 1H24 |
|--|------|
| % Fuel hedge (Brent Crude price)       | 75%  |
| % FX hedge (Capex <sup>5</sup> )       | 60%  |

*The statements in the outlook slides, including those above, are predicated on the Group's current assessment of the profile of key external factors that will impact the Group's financial performance, including economic conditions, supply chain settings and public health posture.*

# Qantas Group Investment Case – Investor Day 2023



Strong customer value proposition to deliver against target segments



Qantas and Jetstar fleet renewal unlocks new opportunities and extends competitive advantage



Sunrise to deliver sustained earnings increase



Affordability of fleet supported by step-change in earnings growth and balance sheet strength



Qantas Freight placed to capture incremental growth in Australian eCommerce



Qantas Loyalty positioned to continue growth in earnings through increased engagement and points earned/redeemed



Climate Action Plan and cost mitigations provide path to reach Sustainability targets while supporting financial outcomes



Commitment to employee culture strengthens talent pipeline and employee retention

*Qantas Group confident in the ability to invest in the business while rewarding shareholders*

## KEY BUSINESS TAKEAWAYS

Qantas & Jetstar Domestic EBIT margin target FY24+

18%

15%

Qantas International EBIT margin target in FY24 and future state

8%

10-12%

FY24

Future

Jetstar International EBIT margin target in FY24+

10-12%

Qantas Loyalty EBIT target

\$500m-\$600m

\$800m-\$1B

FY24

FY30

Sustainability

SAF target supported by the Qantas Climate Action Fund

10% SAF by 2030

# 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 (LBT)/PBT less ticketed passenger revenue divided by ASKs. For a detailed calculation of CASK, please see slide 8 in the Supplementary Presentation

**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** – 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 15 of the Supplementary Presentation 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 13 in the Supplementary Presentation

**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

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**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 11 of the Supplementary Presentation 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)**– Revenue passenger kilometres divided by ASKs

**SME** – Small to medium enterprise

**Statutory EPS** – Statutory Earnings Per Share are 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 (LBT)/PBT less ticketed passenger revenue per ASK

**TSR** – Total Shareholder Returns

**Underlying (LBT)/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 Management Committee and the Board of Directors, for the purpose of assessing the performance of the Qantas Group. Refer to slide 7 of the Supplementary Presentation for a reconciliation of Underlying PBT to Statutory PBT.

**Unit Cost (ex Fuel and Depreciation)** – Underlying PBT less ticketed passenger revenue, fuel and share of profit/(loss) of investments accounted for under the equity method and non-cash impact of discount rate changes on provisions, excluding depreciation and impairments per ASK

**Unit Revenue** – Ticketed passenger revenue per ASK

**WACC** – Weighted average cost of capital

# FY23 RESULTS

## SUPPLEMENTARY PRESENTATION



Qantas Airways Limited  
24 August 2023

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 24 August 2023, unless otherwise stated. The information in this Presentation does not purport to be complete. It should be read in conjunction with the Qantas Group's Appendix 4E and Preliminary Final Report for the year ended 30 June 2023, along with other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://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 year ended 30 June 2023 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 full year ended 30 June 2023 which is being audited by the Group's independent Auditor and is expected to be made available in September 2023.

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 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.

An investment in Qantas shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Qantas Group. Qantas does not guarantee any particular rate of return or the performance of the Qantas Group nor does it guarantee the repayment of capital from Qantas or any particular tax treatment.

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## Past performance

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.

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**Unit Revenue** – Ticketed passenger revenue per ASK

**WACC** – Weighted average cost of capital

# GROUP PERFORMANCE

# FY23 Key Group Financial Metrics

|  |     | FY23   | FY22    |
|--|-----|--------|---------|
| <b>Profit metrics</b>                            |     |        |         |
| Revenue  | \$M | 19,815 | 9,108   |
| Underlying Profit/(Loss) Before Tax <sup>1</sup> | \$M | 2,465  | (1,859) |
| Statutory Profit/(Loss) Before Tax               | \$M | 2,472  | (1,191) |
| Statutory Profit/(Loss) After Tax                | \$M | 1,744  | (860)   |
| Statutory Earnings per Share                     | c   | 96.0   | (45.6)  |

- FY23 Underlying Profit Before Tax (PBT) in top half of guidance range
- FY23 result driven by strong travel demand and completion of \$1b Recovery Plan
- FY22 Statutory Loss includes \$686m of net gain on disposal of assets from Mascot Land Sale recognised outside of Underlying LBT

|  |     |       |        |
|--|-----|-------|--------|
| <b>Balance Sheet and Cash Flow metrics</b> |     |       |        |
| Rolling 12 month ROIC <sup>2</sup>         | %   | 103.6 | (31.6) |
| Net Debt <sup>3</sup>                      | \$B | 2.89  | 3.94   |
| Operating cash flow                        | \$M | 5,085 | 2,670  |
| Net free cash flow                         | \$M | 2,460 | 2,430  |

- Net Debt Target Range<sup>4</sup> of \$3.7b - \$4.6b as at 30 June 2023

## FY23 Key Group Operating Metrics

|   |       | FY23           | FY22   | Change (%) | Pre-COVID<br>FY19 | Change (%) |
|---|-------|----------------|--------|------------|-------------------|------------|
| Unit Revenue (RASK) <sup>1</sup>                  | c/ASK | <b>12.29</b>   | 9.48   | 29.6%      | 8.85              | 38.9%      |
| Total Unit Cost <sup>1</sup>                      | c/ASK | <b>10.19</b>   | 13.16  | (22.6)%    | 7.97              | 27.9%      |
| Unit Cost (ex-Fuel and depreciation) <sup>1</sup> | c/ASK | <b>4.88</b>    | 6.24   | (21.8)%    | 4.31              | 13.2%      |
| Available Seat Kilometres (ASK)                   | M     | <b>117,258</b> | 50,633 | 131.6%     | 151,430           | (22.6)%    |
| Revenue Passenger Kilometres (RPK)                | M     | <b>97,693</b>  | 34,363 | 184.3%     | 127,492           | (23.4)%    |
| Passengers carried                                | 000   | <b>45,725</b>  | 21,257 | 115.1%     | 55,813            | (18.1)%    |
| Seat Factor                                       | %     | <b>83.3</b>    | 67.9   | 15.4ppts   | 84.2              | (0.9ppts)  |
| Operating Margin                                  | %     | <b>13.5</b>    | <0     | N/A        | 9.0               | 4.5ppts    |
| Full-time equivalent employees <sup>2</sup>       | FTE   | <b>25,426</b>  | 21,847 | 16.4%      | 29,745            | (14.5)%    |

# Reconciliation to Underlying Profit/(Loss) Before Tax

| \$M  | FY23          |                                  |               | FY22           |                                  |                |
|--|---------------|----------------------------------|---------------|----------------|----------------------------------|----------------|
|  | Statutory     | Items not included in Underlying | Underlying    | Statutory      | Items not included in Underlying | Underlying     |
| Net passenger revenue  | 16,923        | –                                | 16,923        | 5,951          | –                                | 5,951          |
| Net freight revenue  | 1,380         | –                                | 1,380         | 1,963          | –                                | 1,963          |
| Other revenue  | 1,512         | –                                | 1,512         | 1,194          | –                                | 1,194          |
| <b>Total Revenue</b>   | <b>19,815</b> | <b>–</b>                         | <b>19,815</b> | <b>9,108</b>   | <b>–</b>                         | <b>9,108</b>   |
| Salaries, wages and other benefits                                       | 4,261         | –                                | 4,261         | 3,024          | –                                | 3,024          |
| Aircraft operating variable  | 3,996         | –                                | 3,996         | 2,328          | (13)                             | 2,315          |
| Fuel   | 4,555         | –                                | 4,555         | 1,848          | –                                | 1,848          |
| Depreciation and amortisation  | 1,762         | –                                | 1,762         | 1,801          | –                                | 1,801          |
| Share of net profit of investments accounted for under the equity method | 44            | –                                | 44            | 126            | –                                | 126            |
| Net gain on disposal of assets <sup>1</sup>                              | (4)           | 2                                | (2)           | (692)          | 686                              | (6)            |
| Other  | 2,512         | 5                                | 2,517         | 1,563          | (5)                              | 1,558          |
| <b>Total Expenditure</b>   | <b>17,126</b> | <b>7</b>                         | <b>17,133</b> | <b>9,998</b>   | <b>668</b>                       | <b>10,666</b>  |
| <b>EBIT</b>  | <b>2,689</b>  | <b>(7)</b>                       | <b>2,682</b>  | <b>(890)</b>   | <b>(668)</b>                     | <b>(1,558)</b> |
| Net finance costs  | (217)         | –                                | (217)         | (301)          | –                                | (301)          |
| <b>Profit/(Loss) Before Tax</b>  | <b>2,472</b>  | <b>(7)</b>                       | <b>2,465</b>  | <b>(1,191)</b> | <b>(668)</b>                     | <b>(1,859)</b> |

## Group Unit Revenue and Unit Cost (c/ASK)

| RASK       |                                   | FY23               |
|------------|-----------------------------------|--------------------|
|            | Net passenger revenue             | \$M 16,923         |
|            | Excluding Other passenger revenue | \$M (2,513)        |
| <b>A</b>   | <b>Ticketed Passenger Revenue</b> | <b>\$M 14,410</b>  |
| <b>B</b>   | ASKs                              | M 117,258          |
| <b>A/B</b> | <b>Unit Revenue</b>               | <b>c/ASK 12.29</b> |

| CASK       |  | FY23               |
|------------|--|--------------------|
|            | Underlying (Profit)/Loss Before Tax  | \$M (2,465)        |
|            | Excluding Ticketed passenger revenue                                       | \$M 14,410         |
| <b>C</b>   | <b>Net expenditure</b>   | <b>\$M 11,945</b>  |
|            | Less: Fuel   | \$M (4,555)        |
|            | Less: Impact on changes in discount rate provisions                        | \$M 34             |
|            | Less: Share of net (loss) of investments accounted under the equity method | \$M (44)           |
| <b>D</b>   | <b>Net expenditure (excluding fuel) (\$M)</b>                              | <b>\$M 7,380</b>   |
|            | Less: Depreciation and impairment  | \$M (1,671)        |
| <b>E</b>   | <b>Net expenditure (excluding fuel and depreciation)</b>                   | <b>\$M 5,709</b>   |
| <b>B</b>   | ASKs   | M 117,258          |
| <b>C/B</b> | <b>Total Unit Cost</b>   | <b>c/ASK 10.19</b> |
| <b>D/B</b> | <b>Unit Cost (Ex-Fuel)</b>   | <b>c/ASK 6.30</b>  |
| <b>E/B</b> | <b>Unit Cost (Ex-Fuel and depreciation)</b>                                | <b>c/ASK 4.88</b>  |


# Ongoing transformation discipline

Targeting >\$300m cost and revenue transformation in FY24 through initiatives already underway

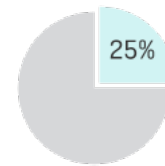
## Clear Pipeline of Value Creation for FY25+

### FY24 Focus

### FY25+ Focus



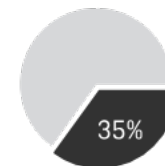
**Fleet & Network**



- Fleet renewal:
  - 3 x A321s and 2 x A330 deliveries to Qantas Freight
  - 7 x A321LR deliveries to Jetstar
  - 1 x additional B789 and 3 x A220 to Qantas
- Ongoing network optimisation, including utilisation improvement
- New product offerings, including neighbour free seating



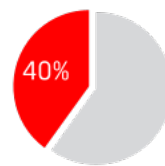
**Data & Digitalisation**



- Completion of IT Cloud transition
- Qantas app self-service upgrades, including baggage tracking
- Enhancements to functionality for charter and group bookings
- Revenue management system optimisation
- Digital-enabled ancillary revenue initiatives
- Data driven ops decision making, including for aircraft maintenance



**Ways of Working**



- Fuel efficiencies, including flight planning and APU management
- Supplier contract optimisation
- Training optimisation, including the use of VR for cabin crew
- Enhanced end-to-end planning unlocking operational efficiencies

### Examples:

- Continued growth in A321LR and A220 fleets; introduction of A321XLR
- Installation of scimitar winglets on B738 fleet
- Customer experience digital optimisation
- Enhanced data-driven ops and disruption management capability
- Group operational synergies and efficiencies, including training and maintenance
- Continued supplier contract optimisation



# FINANCIAL FRAMEWORK

## Return on Invested Capital (ROIC) Calculation

| \$M   | FY23         | FY22           |
|---|--------------|----------------|
| Underlying EBIT                             | 2,682        | (1,558)        |
| Add back: Lease depreciation under AASB 16  | 320          | 336            |
| Less: Notional depreciation <sup>1</sup>    | (131)        | (118)          |
| Less: Cash expenses for non-aircraft leases | (228)        | (219)          |
| <b>ROIC EBIT</b>                            | <b>2,643</b> | <b>(1,559)</b> |

| \$M   | As at 30 Jun 2023 | As at 30 Jun 2022 |
|---|-------------------|-------------------|
| Net working capital <sup>2</sup>                | (10,777)          | (9,752)           |
| Fixed assets <sup>3</sup>                       | 12,599            | 11,060            |
| Capitalised leased aircraft assets <sup>1</sup> | 1,409             | 1,892             |
| <b>Invested Capital</b>                         | <b>3,231</b>      | <b>3,200</b>      |
| <b>Average Invested Capital<sup>4</sup></b>     | <b>2,552</b>      | <b>4,928</b>      |

|                                       |              |               |
|---------------------------------------|--------------|---------------|
| <b>Return on Invested Capital (%)</b> | <b>103.6</b> | <b>(31.6)</b> |
|---------------------------------------|--------------|---------------|

- 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

## Balance Sheet Summary under Financial Framework

| \$M  | As at 30 Jun 2023 | As at 30 Jun 2022 |
|--|-------------------|-------------------|
| <b>Net Assets</b>                                    | <b>10</b>         | <b>(190)</b>      |
| Less: Cash and cash equivalents                      | (3,171)           | (3,343)           |
| Add back: Interest-bearing liabilities               | 5,169             | 5,960             |
| Less: Other financial (assets)/liabilities           | (11)              | (527)             |
| Less: Tax balances                                   | (367)             | (853)             |
| Less: Right of use assets                            | (1,303)           | (957)             |
| Add back: Lease Liabilities                          | 1,557             | 1,272             |
| Less: Finance Lease Receivables                      | (62)              | (54)              |
| Add: Capitalised leased aircraft assets <sup>1</sup> | 1,409             | 1,892             |
| <b>Invested Capital</b>                              | <b>3,231</b>      | <b>3,200</b>      |
| <b>Average Invested Capital<sup>2</sup></b>          | <b>2,552</b>      | <b>4,928</b>      |

- 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%
- At average Invested Capital of **\$2.6b**, optimal Net Debt range is **\$3.7b to \$4.6b**

|  | Jun 23<br>\$B | Drivers of Net Debt Range   |
|--|---------------|---|
| Invested Capital<br><i>Avg Invested Capital for trailing 12 months</i>   | 2.6           | ▶ Invested Capital will rebuild with fleet reinvestment   |
| 10% ROIC EBIT<br><i>Invested Capital x 10%</i>   | 0.26          | ▶ Notional EBIT increases as Invested Capital grows   |
| Plus rolling 12 month ROIC depreciation <sup>1</sup><br><i>Includes notional depreciation on aircraft leases</i> | 1.57          | ▶ Depreciation changes as fleet renewed   |
| EBITDA where ROIC = 10%  | 1.83          |   |
| <b>Net Debt Target Range<sup>2</sup></b>   |               |   |
| Net Debt at 2.0x EBITDA where ROIC = 10%   | 3.7           | ▶ 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%   | 4.6           |   |

# Net Debt and Liquidity Position

| \$M   | As at 30 Jun 2023 | As at 30 Jun 2022 | Change <sup>2</sup> |
|---|-------------------|-------------------|---------------------|
| Current interest-bearing liabilities on Balance Sheet     | 799               | 669               | (130)               |
| Non-current interest-bearing liabilities on Balance Sheet | 4,370             | 5,291             | 921                 |
| Cash at end of period                                     | (3,171)           | (3,343)           | (172)               |
| <b>Net on Balance Sheet debt<sup>1</sup></b>              | <b>1,998</b>      | <b>2,617</b>      | <b>619</b>          |
| Capitalised aircraft lease liabilities                    | 887               | 1,320             | 433                 |
| <b>Net Debt</b>   | <b>2,885</b>      | <b>3,937</b>      | <b>1,052</b>        |

| \$M  | As at 30 Jun 2023 | As at 30 Jun 2022 | Change <sup>2</sup> |
|--|-------------------|-------------------|---------------------|
| Cash and cash equivalents at end of period | 3,171             | 3,343             | (172)               |
| Undrawn facilities                         | 1,196             | 1,330             | (134)               |
| <b>Short-term Liquidity</b>                | <b>4,367</b>      | <b>4,673</b>      | <b>(306)</b>        |

## Net Debt decreased by \$1.1b for the 12 months to June 2023

- Borrowing activity for the period included
  - \$1.0b of debt prepayments and \$0.7b of scheduled debt repayments
  - \$0.8b drawdown of secured and unsecured debt
- Capitalised aircraft lease liabilities decreased by \$0.4b reducing exposure to expensive operating leases
- Cash decrease of \$0.2b mainly driven by debt reduction, Net Capital Expenditure and Shareholder Distributions funded by strong Funds from Operations

## Short-term Liquidity movement of (\$0.3b) for the 12 months to June 2023 includes:

- Cancellation of \$0.3b undrawn facility
- Inclusion of \$0.2b secured aircraft financing on Boeing 787-9 delivery drawn in July 2023

The Group also maintains \$1.0b of undrawn revolving credit facilities and access to longer term liquidity via unencumbered asset base of >\$5.6b<sup>3</sup> bringing total sources of liquidity to >\$10b

## Net Debt movement under the Financial Framework

| \$M  | FY23           | FY22           |
|--|----------------|----------------|
| <b>Opening Net Debt</b>                            | <b>(3,937)</b> | <b>(5,890)</b> |
| Net cash from operating activities                 | 5,085          | 2,670          |
| Less: Net lease principal repayments under AASB 16 | (690)          | (363)          |
| Add: Principal portion of aircraft lease rentals   | 500            | 158            |
| <b>Funds from Operations</b>                       | <b>4,895</b>   | <b>2,465</b>   |
| Net cash from investing activities                 | (2,625)        | (240)          |
| Addition of leased aircraft                        | (65)           | (153)          |
| Return of leased aircraft                          | 24             | 25             |
| Lease adjustment for Freighter conversion          | –              | (30)           |
| <b>Net Capital Expenditure</b>                     | <b>(2,666)</b> | <b>(398)</b>   |
| Payments for share buy-back                        | (1,000)        | –              |
| <b>Shareholder Distributions</b>                   | <b>(1,000)</b> | <b>–</b>       |
| Payment for treasury shares                        | (103)          | (2)            |
| Net equity raise funds                             | –              | –              |
| FX revaluations and other fair value movements     | (74)           | (112)          |
| <b>Closing Net Debt</b>                            | <b>(2,885)</b> | <b>(3,937)</b> |

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



# New aircraft deliveries and fleet flexibility

## New aircraft deliveries<sup>1</sup>

|                          |                                   | FY24 | FY25 | FY26 | FY29 |
|--------------------------|-----------------------------------|------|------|------|------|
| Qantas                   | A350-1000ULR<br>(Project Sunrise) |      |      | 3    | 12   |
|                          | A350-1000LR                       |      |      |      | 8    |
|                          | 787-9/-10                         | 1    |      |      | 5    |
|                          | A321neo-XLR                       |      | 3    | 9    | 20   |
| Qlink <sup>2</sup>       | A220-300                          | 3    | 4    | 11   | 29   |
| Freight <sup>3</sup>     | A321F                             | 3    | 2    | 3    | 9    |
| Jetstar                  | A321neo-XLR                       |      |      | 3    | 15   |
|                          | A321neo-LR                        | 7    | 7    | 1    | 23   |
|                          | A320neo <sup>4</sup>              |      | 5    |      | 12   |
| Total committed aircraft |                                   | 14   | 21   | 30   | 133  |



# SUPPLEMENTARY SEGMENT INFORMATION

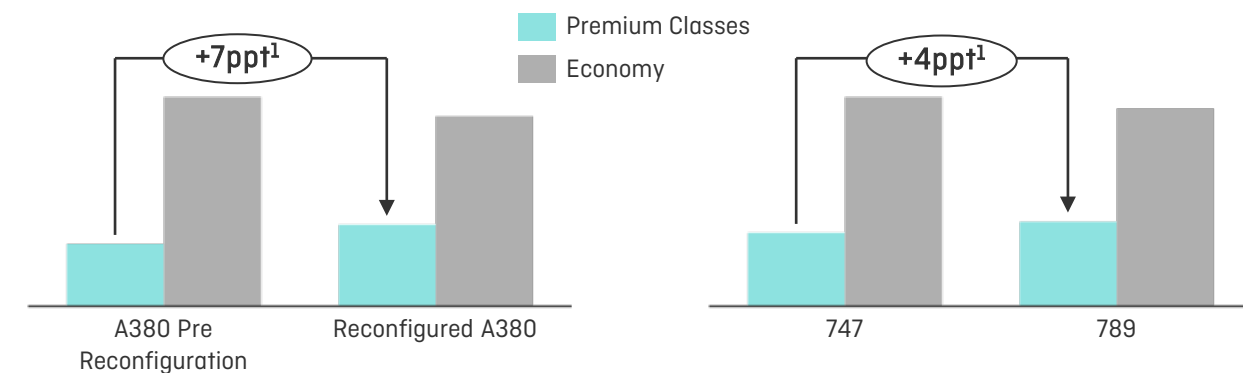
# Qantas Domestic and International Overview

## 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 narrowbody fleet servicing high density routes such as Triangle and East West flying
  - Extensive range of small and medium narrowbody aircraft to service regional network and resource customers
- Domestic fleet replacement program underway:
  - Committed orders for 20 x Airbus A321XLRs and 29 x A220-300s as Boeing 737s and 717s are gradually retired

## Qantas International

- Globally recognised long haul carrier targeting high demand business and premium leisure segments into USA, Europe and South East Asia
  - Leverage new fleet technology to facilitate direct point-to-point network, including retirement of 747 fleet and investments in 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

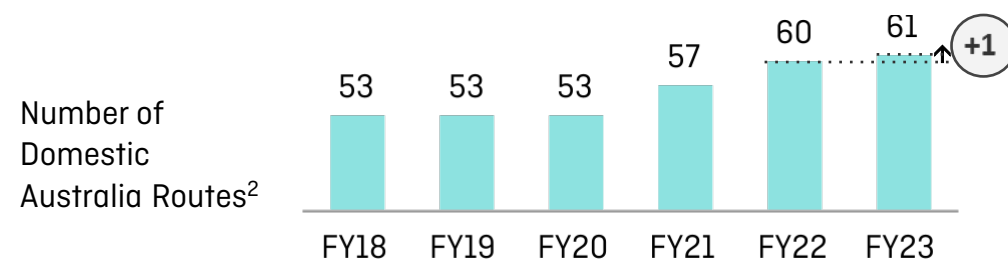


- Freight business that leverages Qantas' portfolio strength and delivers diversified earnings stream to the Group
  - Attractive domestic market as e-commerce adoption rates accelerate
  - Addition of 9 x Airbus A321F aircraft to support growth and unlock cost synergies

# Jetstar Group Overview

## Jetstar Domestic

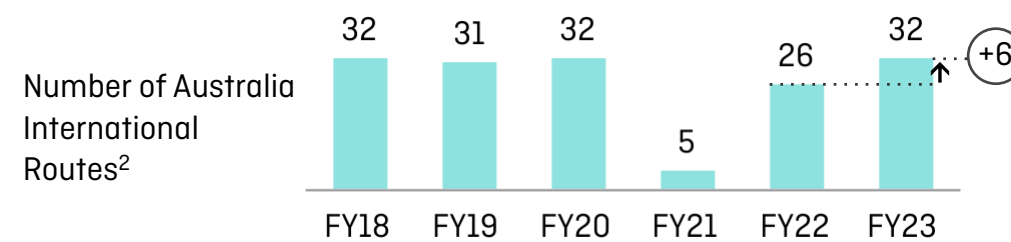
- Targeting industry-leading LCC<sup>1</sup> 15% EBIT margin for FY24 and beyond
- Low fares leadership with margin premium over competitors; driven by low-cost base, scale, network breadth and ancillary revenue advantage
- Arrival of A321LRs provides the most fuel efficient aircraft per seat in Australia, 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 <sup>3</sup> | Launch | Aircraft <sup>4</sup>               |
|-------------------------|------------------------|--------|-------------------------------------|
| Domestic AU             | 100%                   | 2004   | 40 x A320<br>6 x A321<br>4 x A321LR |

## Jetstar International<sup>5</sup>

- Targeting 10-12% EBIT Margin in FY24 and beyond
- Strong profitability and RASK performance in FY23
- Competitive advantage through brand strength and local partnerships
- #1 carrier serving Bali – Australia market in FY23<sup>6</sup>
- A321LRs liberating 787s for new markets
  - Launched 3 new routes in FY23 including Sydney-Raratonga, Auckland-Brisbane, Sydney-Seoul; relaunched 3 routes operated pre-COVID (Cairns-Osaka, Narita-Gold Coast, Cairns-Narita)
  - Announced Brisbane-Osaka, Tokyo and Seoul and Melbourne-Fiji to begin in FY24



| Jetstar Branded Airline       | Ownership <sup>3</sup> | Launch | Aircraft <sup>4</sup>              |
|-------------------------------|------------------------|--------|------------------------------------|
| International AU <sup>5</sup> | 100%                   | 2006   | 11 x 787-8<br>8x A320<br>4x A321LR |

## Jetstar in Asia and New Zealand

### Jetstar Japan

- Jetstar Japan is the #1 domestic LCC<sup>1</sup> at Tokyo's Narita Airport and serves 20 routes
- Growing capacity and aircraft utilisation in line with increased leisure demand and international flying
- Third A321LR delivered in July 2023

### Jetstar Asia

- Uniquely positioned in large Asia market with significant growth potential
- Excellent operational performance and successful transition to Singapore Changi Terminal 4
- Plans to re-grow fleet whilst benefiting from strong performance

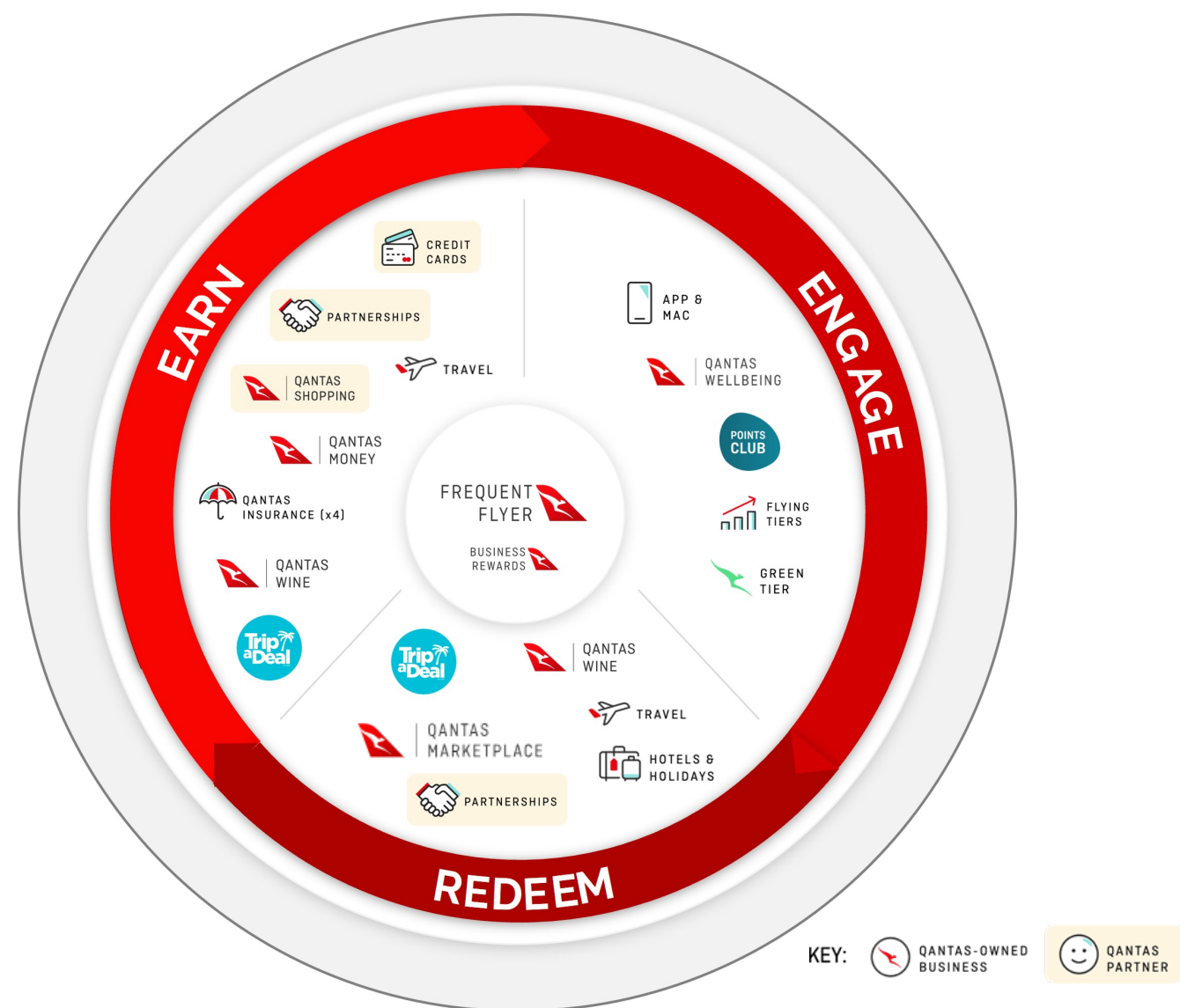
### Jetstar New Zealand Domestic

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

| Jetstar Branded Airline  | Ownership <sup>3</sup> | Launch | Aircraft <sup>4</sup>  |
|--------------------------|------------------------|--------|------------------------|
| Jetstar Asia (Singapore) | 49%                    | 2004   | 7 x A320               |
| Jetstar Japan            | 33%                    | 2012   | 19 x A320<br>2x 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 >\$2b towards the Group Cash Flow<sup>1</sup> for FY23; delivering long term value to the Qantas Group
- 8% growth<sup>2</sup> in Qantas Frequent Flyer membership to 15.2m members; 19% growth<sup>2</sup> in QBR membership with ~450,000 SME members<sup>3</sup>
- >700 program partners<sup>4</sup> across Qantas Frequent Flyer including ~50 Qantas Business Rewards
- Continuing to diversify Financial Services earnings in FY23 – ANZ Home Loans campaign; and launch of Qantas Money Home Loans
- Record new bookings across Qantas Hotels and Holidays (~\$760m TTV<sup>5</sup>), following the expansion of the Qantas Holidays brand and increased redemption value
- Growth continuing across Insurance businesses – 20% growth in Qantas Health Insurance customers, +40% Qantas Home Insurance sales and >60% Qantas Travel and Qantas Motor Insurance sales



Leadership in customer advocacy in airline loyalty programs

## 2H23 Group and Group Domestic Traffic Statistics vs Pre-COVID

|                                      |       | 3Q23   | Pre-COVID<br>3Q19 | Change (%) | 4Q23   | Pre-COVID<br>4Q19 | Change (%) | 2H23   | Pre-COVID<br>2H19 | Change (%) |
|--------------------------------------|-------|--------|-------------------|------------|--------|-------------------|------------|--------|-------------------|------------|
| <b>Total Qantas Group Operations</b> |       |        |                   |            |        |                   |            |        |                   |            |
| Passengers Carried                   | '000  | 11,270 | 13,670            | (18)       | 11,780 | 13,643            | (14)       | 23,050 | 27,313            | (16)       |
| Revenue Passenger Kilometers         | M     | 24,348 | 31,290            | (22)       | 26,023 | 31,244            | (17)       | 50,371 | 62,534            | (19)       |
| Available Seat Kilometres            | M     | 29,581 | 37,380            | (21)       | 32,239 | 37,196            | (13)       | 61,820 | 74,576            | (17)       |
| Seat Factor                          | %     | 82.3   | 83.7              | (1.4ppts)  | 80.7   | 84.0              | (3.3ppts)  | 81.5   | 83.9              | (2.4ppts)  |
| Group Unit Revenue                   | c/ASK | 12.2   | 8.8               | 38         | 11.0   | 8.7               | 27         | 11.6   | 8.8               | 33         |
| <b>Group Domestic</b>                |       |        |                   |            |        |                   |            |        |                   |            |
| Available Seat Kilometres            | M     | 12,312 | 12,638            | (3)        | 13,216 | 13,109            | 1          | 25,528 | 25,747            | (1)        |
| Group Domestic Unit Revenue Change   | %     |        |                   | 21         |        |                   | 14         |        |                   | 17         |
| <b>Qantas Domestic</b>               |       |        |                   |            |        |                   |            |        |                   |            |
| Passengers Carried                   | '000  | 4,703  | 5,148             | (9)        | 5,117  | 5,424             | (6)        | 9,820  | 10,572            | (7)        |
| Revenue Passenger Kilometers         | M     | 5,716  | 6,079             | (6)        | 6,196  | 6,472             | (4)        | 11,912 | 12,551            | (5)        |
| Available Seat Kilometres            | M     | 7,765  | 8,053             | (4)        | 8,577  | 8,499             | 1          | 16,342 | 16,552            | (1)        |
| Seat Factor                          | %     | 73.6   | 75.5              | (1.9ppts)  | 72.2   | 76.2              | (4.0ppts)  | 72.9   | 75.8              | (2.9ppts)  |
| <b>Jetstar Domestic</b>              |       |        |                   |            |        |                   |            |        |                   |            |
| Passengers Carried                   | '000  | 3,205  | 3,560             | (10)       | 3,178  | 3,385             | (6)        | 6,383  | 6,945             | (8)        |
| Revenue Passenger Kilometers         | M     | 3,910  | 3,998             | (2)        | 4,031  | 3,950             | 2          | 7,941  | 7,948             | -          |
| Available Seat Kilometres            | M     | 4,547  | 4,585             | (1)        | 4,639  | 4,610             | 1          | 9,186  | 9,195             | -          |
| Seat Factor                          | %     | 86.0   | 87.2              | (1.2ppts)  | 86.9   | 85.7              | 1.2ppts    | 86.4   | 86.4              | -          |

## 2H23 Group International Traffic Statistics vs Pre-COVID

|   |      | 3Q23   | Pre-COVID<br>3Q19 | Change (%) | 4Q23   | Pre-COVID<br>4Q19 | Change (%) | 2H23   | Pre-COVID<br>2H19 | Change (%) |
|---|------|--------|-------------------|------------|--------|-------------------|------------|--------|-------------------|------------|
| <b>Group International</b>              |      |        |                   |            |        |                   |            |        |                   |            |
| Available Seat Kilometres               | M    | 17,269 | 24,742            | (30)       | 19,023 | 24,087            | (21)       | 36,292 | 48,829            | (26)       |
| Group International Unit Revenue Change | %    |        |                   | 47         |        |                   | 34         |        |                   | 40         |
| <b>Qantas International</b>             |      |        |                   |            |        |                   |            |        |                   |            |
| Passengers Carried                      | '000 | 1,669  | 2,224             | (25)       | 1,678  | 2,170             | (23)       | 3,347  | 4,394             | (24)       |
| Revenue Passenger Kilometers            | M    | 10,050 | 15,008            | (33)       | 10,660 | 14,756            | (28)       | 20,710 | 29,764            | (30)       |
| Available Seat Kilometres               | M    | 11,829 | 17,517            | (32)       | 12,954 | 16,903            | (23)       | 24,783 | 34,420            | (28)       |
| Seat Factor                             | %    | 85.0   | 85.7              | (0.7ppts)  | 82.3   | 87.3              | (5.0ppts)  | 83.6   | 86.5              | (2.9ppts)  |
| <b>Jetstar International</b>            |      |        |                   |            |        |                   |            |        |                   |            |
| Passengers Carried                      | '000 | 1,244  | 1,635             | (24)       | 1,361  | 1,513             | (10)       | 2,605  | 3,148             | (17)       |
| Revenue Passenger Kilometers            | M    | 4,136  | 4,560             | (9)        | 4,581  | 4,353             | 5          | 8,717  | 8,913             | (2)        |
| Available Seat Kilometres               | M    | 4,808  | 5,266             | (9)        | 5,397  | 5,151             | 5          | 10,205 | 10,417            | (2)        |
| Seat Factor                             | %    | 86.0   | 86.6              | (0.6ppts)  | 84.9   | 84.5              | 0.4ppts    | 85.4   | 85.6              | (0.2ppts)  |
| <b>Jetstar Asia</b>                     |      |        |                   |            |        |                   |            |        |                   |            |
| Passengers Carried                      | '000 | 449    | 1,103             | (59)       | 446    | 1,151             | (61)       | 895    | 2,254             | (60)       |
| Revenue Passenger Kilometers            | M    | 536    | 1,645             | (67)       | 555    | 1,713             | (68)       | 1,091  | 3,358             | (68)       |
| Available Seat Kilometres               | M    | 632    | 1,959             | (68)       | 672    | 2,033             | (67)       | 1,304  | 3,992             | (67)       |
| Seat Factor                             | %    | 84.8   | 84.0              | 0.8ppts    | 82.6   | 84.3              | (1.7ppts)  | 83.7   | 84.1              | (0.4ppts)  |

## 2H23 Group and Group Domestic Traffic Statistics vs 2H22

|                                      |       | 3Q23   | 3Q22   | Change [%] | 4Q23   | 4Q22   | Change [%] | 2H23   | 2H22   | Change [%] |
|--------------------------------------|-------|--------|--------|------------|--------|--------|------------|--------|--------|------------|
| <b>Total Qantas Group Operations</b> |       |        |        |            |        |        |            |        |        |            |
| Passengers Carried                   | '000  | 11,270 | 5,772  | 95         | 11,780 | 10,079 | 17         | 23,050 | 15,851 | 45         |
| Revenue Passenger Kilometers         | M     | 24,348 | 8,902  | >100       | 26,023 | 18,358 | 42         | 50,371 | 27,260 | 85         |
| Available Seat Kilometres            | M     | 29,581 | 13,706 | >100       | 32,239 | 23,422 | 38         | 61,820 | 37,127 | 67         |
| Seat Factor                          | %     | 82.3   | 64.9   | 17.4ppts   | 80.7   | 78.4   | 2.3ppts    | 81.5   | 73.4   | 8.1ppts    |
| Group Unit Revenue                   | c/ASK | 12.2   | 8.7    | 41         | 11.0   | 10.6   | 4          | 11.6   | 9.9    | 18         |
| <b>Group Domestic</b>                |       |        |        |            |        |        |            |        |        |            |
| Available Seat Kilometres            | M     | 12,312 | 8,762  | 41         | 13,216 | 13,259 | -          | 25,528 | 22,021 | 16         |
| Group Domestic Unit Revenue Change   | %     |        |        | 52         |        |        | 14         |        |        | 28         |
| <b>Qantas Domestic</b>               |       |        |        |            |        |        |            |        |        |            |
| Passengers Carried                   | '000  | 4,703  | 2,943  | 60         | 5,117  | 4,952  | 3          | 9,820  | 7,894  | 24         |
| Revenue Passenger Kilometers         | M     | 5,716  | 3,093  | 85         | 6,196  | 6,017  | 3          | 11,912 | 9,110  | 31         |
| Available Seat Kilometres            | M     | 7,765  | 5,266  | 47         | 8,577  | 8,291  | 3          | 16,342 | 13,556 | 21         |
| Seat Factor                          | %     | 73.6   | 58.7   | 14.9ppts   | 72.2   | 72.6   | (0.4ppts)  | 72.9   | 67.2   | 5.7ppts    |
| <b>Jetstar Domestic</b>              |       |        |        |            |        |        |            |        |        |            |
| Passengers Carried                   | '000  | 3,205  | 2,154  | 49         | 3,178  | 3,345  | (5)        | 6,383  | 5,498  | 16         |
| Revenue Passenger Kilometers         | M     | 3,910  | 2,575  | 52         | 4,031  | 4,237  | (5)        | 7,941  | 6,812  | 17         |
| Available Seat Kilometres            | M     | 4,547  | 3,496  | 30         | 4,639  | 4,969  | (7)        | 9,186  | 8,464  | 9          |
| Seat Factor                          | %     | 86.0   | 73.7   | 12.3ppts   | 86.9   | 85.3   | 1.6ppts    | 86.4   | 80.5   | 5.9ppts    |

## 2H23 Group International Traffic Statistics vs 2H22

|   |      | 3Q23   | 3Q22  | Change (%) | 4Q23   | 4Q22   | Change (%) | 2H23   | 2H22   | Change (%) |
|---|------|--------|-------|------------|--------|--------|------------|--------|--------|------------|
| <b>Group International</b>              |      |        |       |            |        |        |            |        |        |            |
| Available Seat Kilometres               | M    | 17,269 | 4,944 | >100       | 19,023 | 10,163 | 87         | 36,292 | 15,107 | >100       |
| Group International Unit Revenue Change | %    |        |       | 47         |        |        | 5          |        |        | 20         |
| <b>Qantas International</b>             |      |        |       |            |        |        |            |        |        |            |
| Passengers Carried                      | '000 | 1,669  | 308   | >100       | 1,678  | 808    | >100       | 3,347  | 1,116  | >100       |
| Revenue Passenger Kilometers            | M    | 10,050 | 2,712 | >100       | 10,660 | 5,702  | 87         | 20,710 | 8,414  | >100       |
| Available Seat Kilometres               | M    | 11,829 | 3,879 | >100       | 12,954 | 7,061  | 83         | 24,783 | 10,941 | >100       |
| Seat Factor                             | %    | 85.0   | 69.9  | 15.1ppts   | 82.3   | 80.8   | 1.5ppts    | 83.6   | 76.9   | 6.7ppts    |
| <b>Jetstar International</b>            |      |        |       |            |        |        |            |        |        |            |
| Passengers Carried                      | '000 | 1,244  | 282   | >100       | 1,361  | 678    | >100       | 2,605  | 960    | >100       |
| Revenue Passenger Kilometers            | M    | 4,136  | 426   | >100       | 4,581  | 2,054  | >100       | 8,717  | 2,480  | >100       |
| Available Seat Kilometres               | M    | 4,808  | 731   | >100       | 5,397  | 2,620  | >100       | 10,205 | 3,351  | >100       |
| Seat Factor                             | %    | 86.0   | 58.3  | 27.7ppts   | 84.9   | 78.4   | 6.5ppts    | 85.4   | 74.0   | 11.4ppts   |
| <b>Jetstar Asia</b>                     |      |        |       |            |        |        |            |        |        |            |
| Passengers Carried                      | '000 | 449    | 86    | >100       | 446    | 296    | 51         | 895    | 382    | >100       |
| Revenue Passenger Kilometers            | M    | 536    | 96    | >100       | 555    | 349    | 59         | 1,091  | 445    | >100       |
| Available Seat Kilometres               | M    | 632    | 334   | 89         | 672    | 482    | 39         | 1,304  | 816    | 60         |
| Seat Factor                             | %    | 84.8   | 28.8  | 56.0ppts   | 82.6   | 72.3   | 10.3ppts   | 83.7   | 54.5   | 29.2ppts   |



# Qantas Domestic<sup>1</sup>

|                  |     | FY23   | FY22   | FY<br>Variance% | 1H23   | 1H22  | 1H<br>Variance% | 2H23   | 2H22   | 2H<br>Variance% |
|------------------|-----|--------|--------|-----------------|--------|-------|-----------------|--------|--------|-----------------|
| Revenue          | \$M | 6,980  | 3,448  | >100            | 3,634  | 1,127 | >100            | 3,346  | 2,321  | 44              |
| Underlying EBIT  | \$M | 1,270  | (765)  | >100            | 785    | (613) | >100            | 485    | (152)  | >100            |
| Operating Margin | %   | 18.2   | <0     | N/A             | 21.6   | <0    | N/A             | 14.5   | <0     | N/A             |
| ASKs             | M   | 32,513 | 21,233 | 53              | 16,171 | 7,677 | >100            | 16,342 | 13,556 | 21              |
| Seat factor      | %   | 76.2   | 60.9   | 15.3ppts        | 79.6   | 49.6  | 30.0ppts        | 72.9   | 67.2   | 5.7ppts         |

|                  |     | FY23   | Pre-COVID<br>FY19 | FY<br>Variance% | 1H23   | Pre-COVID<br>1H19 | 1H<br>Variance% | 2H23   | Pre-COVID<br>2H19 | 2H<br>Variance% |
|------------------|-----|--------|-------------------|-----------------|--------|-------------------|-----------------|--------|-------------------|-----------------|
| Revenue          | \$M | 6,980  | 6,098             | 14              | 3,634  | 3,230             | 13              | 3,346  | 2,868             | 17              |
| Underlying EBIT  | \$M | 1,270  | 778               | 63              | 785    | 478               | 64              | 485    | 300               | 62              |
| Operating Margin | %   | 18.2   | 12.8              | 5.4ppts         | 21.6   | 14.8              | 6.8ppts         | 14.5   | 10.5              | 4.0ppts         |
| ASKs             | M   | 32,513 | 33,866            | (4)             | 16,171 | 17,314            | (7)             | 16,342 | 16,552            | (1)             |
| Seat factor      | %   | 76.2   | 77.8              | (1.6ppts)       | 79.6   | 79.6              | —               | 72.9   | 75.8              | (2.9ppts)       |

# Qantas International and Freight<sup>1</sup>

|                  |     | FY23   | FY22   | FY<br>Variance% | 1H23   | 1H22  | 1H<br>Variance% | 2H23   | 2H22   | 2H<br>Variance% |
|------------------|-----|--------|--------|-----------------|--------|-------|-----------------|--------|--------|-----------------|
| Revenue          | \$M | 7,749  | 3,706  | >100            | 3,802  | 1,317 | >100            | 3,947  | 2,389  | 65              |
| Underlying EBIT  | \$M | 906    | (238)  | >100            | 464    | (238) | >100            | 442    | —      | —               |
| Operating Margin | %   | 11.7   | <0     | N/A             | 12.2   | <0    | N/A             | 11.2   | <0     | N/A             |
| ASKs             | M   | 45,187 | 12,187 | >100            | 20,404 | 1,245 | >100            | 24,783 | 10,941 | >100            |
| Seat factor      | %   | 85.7   | 75.4   | 10.3ppts        | 88.3   | 62.0  | 26.3ppts        | 83.6   | 76.9   | 6.7ppts         |

|                  |     | FY23   | Pre-COVID<br>FY19 | FY<br>Variance% | 1H23   | Pre-COVID<br>1H19 | 1H<br>Variance% | 2H23   | Pre-COVID<br>2H19 | 2H<br>Variance% |
|------------------|-----|--------|-------------------|-----------------|--------|-------------------|-----------------|--------|-------------------|-----------------|
| Revenue          | \$M | 7,749  | 7,420             | 4               | 3,802  | 3,693             | 3               | 3,947  | 3,727             | 6               |
| Underlying EBIT  | \$M | 906    | 323               | >100            | 464    | 119               | >100            | 442    | 204               | >100            |
| Operating Margin | %   | 11.7   | 4.4               | 7.3ppts         | 12.2   | 3.2               | 9.0ppts         | 11.2   | 5.5               | 5.7ppts         |
| ASKs             | M   | 45,187 | 69,571            | (35)            | 20,404 | 35,151            | (42)            | 24,783 | 34,420            | (28)            |
| Seat factor      | %   | 85.7   | 86.0              | (0.3ppts)       | 88.3   | 85.5              | 2.8ppts         | 83.6   | 86.5              | (2.9ppts)       |

# Jetstar Group<sup>1</sup>

|                  |     | FY23   | FY22   | FY<br>Variance% | 1H23   | 1H22  | 1H<br>Variance% | 2H23   | 2H22   | 2H<br>Variance% |
|------------------|-----|--------|--------|-----------------|--------|-------|-----------------|--------|--------|-----------------|
| Revenue          | \$M | 4,235  | 1,440  | >100            | 2,096  | 394   | >100            | 2,139  | 1,046  | >100            |
| Underlying EBIT  | \$M | 404    | (796)  | >100            | 177    | (417) | >100            | 227    | (379)  | >100            |
| Operating Margin | %   | 9.5    | <0     | N/A             | 8.4    | <0    | N/A             | 10.6   | <0     | N/A             |
| ASKs             | M   | 39,558 | 17,213 | >100            | 18,863 | 4,584 | >100            | 20,695 | 12,631 | 64              |
| Seat factor      | %   | 86.4   | 71.2   | 15.2ppts        | 87.2   | 55.0  | 32.2ppts        | 85.8   | 77.1   | 8.7ppts         |

|                  |     | FY23   | Pre-COVID<br>FY19 | FY<br>Variance% | 1H23   | Pre-COVID<br>1H19 | 1H<br>Variance% | 2H23   | Pre-COVID<br>2H19 | 2H<br>Variance% |
|------------------|-----|--------|-------------------|-----------------|--------|-------------------|-----------------|--------|-------------------|-----------------|
| Revenue          | \$M | 4,235  | 3,961             | 7               | 2,096  | 2,048             | 2               | 2,139  | 1,913             | 12              |
| Underlying EBIT  | \$M | 404    | 400               | 1               | 177    | 253               | (30)            | 227    | 147               | 54              |
| Operating Margin | %   | 9.5    | 10.1              | (0.6ppts)       | 8.4    | 12.4              | (4.0ppts)       | 10.6   | 7.7               | 2.9ppts         |
| ASKs             | M   | 39,558 | 47,993            | (18)            | 18,863 | 24,389            | (23)            | 20,695 | 23,604            | (12)            |
| Seat factor      | %   | 86.4   | 86.1              | 0.3ppts         | 87.2   | 86.6              | 0.6ppts         | 85.8   | 85.7              | 0.1ppts         |

# Qantas Loyalty

|                              |     | FY23  | FY22  | FY<br>Variance% | 1H23  | 1H22 | 1H<br>Variance% | 2H23  | 2H22 | 2H<br>Variance% |
|------------------------------|-----|-------|-------|-----------------|-------|------|-----------------|-------|------|-----------------|
| Revenue <sup>1</sup>         | \$M | 2,189 | 1,334 | 64              | 1,027 | 485  | >100            | 1,162 | 849  | 37              |
| Underlying EBIT              | \$M | 451   | 292   | 54              | 220   | 127  | 73              | 231   | 165  | 40              |
| Operating Margin             | %   | 20.6  | 21.9  | (1.3ppts)       | 21.4  | 26.2 | (4.8ppts)       | 19.9  | 19.4 | 0.5ppts         |
| QFF Members <sup>2</sup>     | M   | 15.2  | 14.1  | 8               | 14.7  | 13.8 | 7               | 15.2  | 14.1 | 8               |
| Points Earn                  | B   | 175   | 118   | 48              | 88    | 51   | 73              | 87    | 67   | 30              |
| Points Redeemed <sup>3</sup> | B   | 155   | 93    | 67              | 72    | 29   | >100            | 83    | 64   | 30              |

|                              |     | FY23  | Pre-COVID<br>FY19 | FY<br>Variance% | 1H23  | Pre-COVID<br>1H19 | 1H<br>Variance% | 2H23  | Pre-COVID<br>2H19 | 2H<br>Variance% |
|------------------------------|-----|-------|-------------------|-----------------|-------|-------------------|-----------------|-------|-------------------|-----------------|
| Revenue <sup>1</sup>         | \$M | 2,189 | 1,654             | 32              | 1,027 | 809               | 27              | 1,162 | 845               | 38              |
| Underlying EBIT              | \$M | 451   | 376               | 20              | 220   | 175               | 26              | 231   | 201               | 15              |
| Operating Margin             | %   | 20.6  | 22.7              | (2.1ppts)       | 21.4  | 21.6              | (0.2ppts)       | 19.9  | 23.8              | (3.9ppts)       |
| QFF Members <sup>2</sup>     | M   | 15.2  | 12.9              | 18              | 14.7  | 12.6              | 17              | 15.2  | 12.9              | 18              |
| Points Earn                  | B   | 175   | 156               | 12              | 88    | 77                | 14              | 87    | 79                | 10              |
| Points Redeemed <sup>3</sup> | B   | 155   | 123               | 26              | 72    | 60                | 20              | 83    | 63                | 32              |