QANTAS GROUP DELIVERS STRONG FY25 RESULT AND ORDERS 20 ADDITIONAL A321XLR AIRCRAFT

28 August 2025

Underlying Profit Before Tax	Statutory Profit After Tax[1]	Group Net Capex	Final shareholder dividends
$2.39b Up 15%	$1.61b Up 28%	$3.9b Up 22%	Base $250m Special $150m Fully franked
On time performance[2]	**Customer Net Promoter Score[3]**	**New aircraft delivered**	**Underlying earnings per share**
Qantas +2 pts Jetstar +3 pts	Qantas +10 pts Jetstar +6 pts	17	$1.10 Up 22 cents

New Updates:

- Qantas places order for 20 additional A321XLR aircraft; 16 with lie-flat Business seats
- Around 25,000 non-executive employees across the Group to receive $1,000 of shares as part of new share plan
- Qantas and Jetstar deliver best on time performance since 2019; Qantas most on time major domestic airline for FY25

Results Overview – Comments from Qantas Group CEO Vanessa Hudson

“For everyone across the Qantas Group, this year has been all about delivery. While we are pleased with the progress we are making, we remain focused on further improving our performance and continuing to deliver for our customers, people and shareholders.

“Continuing strong demand across all market segments, combined with our dual brand strategy, helped the Group grow earnings. Qantas and Jetstar carried four million more customers during the year, while our Loyalty business grew as frequent flyers engaged with the program more than ever before.

“Our strong financial performance is enabling significant investment in new aircraft and customer initiatives, helping deliver better operational performance and customer satisfaction across both airlines.

“Jetstar had a standout year, with its fleet renewal providing a significant boost to earnings. In a high cost of living environment, Jetstar continued to provide value for customers, with around one in three travelling for under $100.

“Despite the strong performance across the Group, we saw some costs rise above the rate of inflation, which reduced the benefits of lower fuel. Transformation remains a priority given ongoing increases in airport and government charges, engineering and supply chain costs and the impact of Same Job Same Pay legislation.

“I want to thank our people who serve our customers with passion every day. They are the real stars of our performance and we are introducing a new employee share plan so they can share in our success.

“As well as rewarding our employees, we have also resumed paying dividends. We have announced we will pay a base final dividend of $250 million and a special dividend of $150 million, taking dividends for the full year to $800 million.

“Looking ahead, there is a lot to be excited about. This year will see an acceleration of Qantas’ domestic fleet renewal and in the coming years we’ll take delivery of additional A321XLR aircraft fitted with lie-flat Business seats. We will also be using more Sustainable Aviation Fuel from overseas airports while we continue efforts with Government and industry to establish a SAF industry in Australia.

“Direct flights from the east coast of Australia to London and New York are also a step closer to reality, with the first Project Sunrise A350-1000ULR aircraft to enter the final assembly line in the coming months, and the first aircraft delivery expected in October next year.”

[1] Statutory Profit After Tax includes impact of the closure of Jetstar Asia and legal provision increases.
[2] Percentage of Qantas Domestic/QantasLink and Jetstar domestic flights that departed on time in FY25 compared to FY24. Source: BITRE
[3] Domestic and International Net Promoter Scores FY25 compared to FY24.

Group Domestic

The Group's dual brand strategy continues to provide value for both the premium and low fares segments of the market, with Group Domestic delivering $1.52 billion in Underlying EBIT, up 12 per cent from the prior year, at a margin of 14 per cent.

Qantas Domestic unit revenue increased 5 per cent, comprising a 3.5 percentage point improvement from higher seat factors and increased business-purpose travel, plus 1.5 percentage points from yield improvements. Qantas' charter revenue increased 9 per cent, helped by the arrival of five additional Airbus A319 aircraft during the year to service the resources market in Western Australia.

QantasLink also received five new A220s during the year, which are on track to deliver up to $9 million additional annual EBITDA benefit per aircraft over the 717 aircraft they have replaced, once the fleet reaches scale. The regional carrier's transition to an all-Q400 turboprop fleet continued during the year, with all Q200 and Q300 aircraft now retired.

Qantas' first two A321XLRs are expected to enter service on its domestic network in mid-September, making it the first airline in the Asia Pacific to operate the new aircraft type.

Engineering, wages, airport and government charges were the major contributors to higher costs. New aircraft transition and entry into service costs were also higher, but these are expected to decrease as new fleet types reach scale.

Jetstar carried a record 16 million passengers domestically, helping it deliver a 55 per cent increase in Underlying EBIT. This was enabled by new aircraft, strong demand which helped increase seat factor by 2 percentage points and lower fuel prices. New aircraft also provided customer benefits including inflight streaming and more onboard baggage space.

Following the closure of Jetstar Asia last month, its 13 A320 aircraft will be progressively redeployed across Jetstar Australia, Jetstar New Zealand and QantasLink to support fleet renewal, replace leased aircraft and support growth. The first of these aircraft will enter service next month.

Group International and Freight

The sustained growth in demand for international travel and the addition of new routes helped Group International achieve a 20 per cent improvement in Underlying EBIT to $903 million.

Qantas International capacity increased by 6 per cent, with the return of another A380, while unit revenue turned positive in the fourth quarter[4]. Strong demand for premium cabins across its international network continued into the second half, with a 2 percentage point increase in seat factors across First, Business and Premium Economy cabins.

The strong financial performance and customer satisfaction on existing ultra long haul routes, including to Europe and the United States, continues to provide confidence ahead of Project Sunrise. Work on Qantas' first A350-1000ULR is progressing, with the aircraft entering the final assembly line in Toulouse, France in October 2025. The first aircraft is due to be delivered in October 2026[5]. The aircraft will fly the first non-stop ultra long haul commercial flight in the first half of calendar year 2027.

Elevated engineering and supply chain costs, higher wages due to the Same Job Same Pay legislation and preparation for the return of Qantas' final A380s were the major contributors to higher costs.

Jetstar carried around 25 per cent more customers internationally to and from Australia than the prior year, enabled by similar growth across its international network, with particularly positive performance into Japan, Thailand and South Korea. The airline launched 11 new international routes during the year, supported by the delivery of seven new A321LR and four A320neo aircraft, opening up more options for low fares holidays for Australians.

Jetstar's refurbished Boeing 787 Dreamliner fleet will commence flying towards the end of the current financial year. Its A321XLRs will begin to arrive from calendar year 2027 and will be fitted with a two-class cabin for medium haul international travel.

Net freight revenue grew 7 per cent year on year, despite global trade uncertainty, enabled by simplifying Qantas Freight's fleet and transformation initiatives. Preparations are underway for the first freighter flight at Western Sydney Airport's 24-hour cargo precinct in mid-calendar year 2026. The new freight facility will help meet growing e-commerce demand and will complement existing operations at Kingsford Smith Airport.

[4] RASK 4Q25 v 4Q24.
[5] Subject to receiving necessary regulatory approvals and certifications.

Qantas Loyalty

Growth in active members and strengthening engagement helped Qantas Loyalty achieve 9 per cent Underlying EBIT growth for the full year to $556 million.

Qantas Frequent Flyers earned 10 per cent more Qantas Points and redeemed 8 per cent more compared to the prior year, as program enhancements increased member interaction on the ground and in the air.

Members booked a record number of Flight Reward Seats during the year, with more seats made available on Qantas, Jetstar and partner airlines.

The launch of Classic Plus on domestic flights in December helped accelerate Classic Plus bookings to above one million seats for the year. Around one in three of those bookings were for travel during peak school holiday periods and one in four members who made a Classic Plus booking were redeeming their points on flights for the first time in five years.

There has also been an increase in Jetstar Classic Reward Seats booked following the introduction of the lowest one-way Economy reward seat in Australia, requiring just 5,700 points. This was one of a number of changes announced in January, which also included the first points increase to Classic Reward seats since 2019 and an increase in the number of points frequent flyers can earn when flying Qantas domestically.

Australian businesses continue to see value in partnering with Qantas Loyalty, with more coalition partners joining the program and cash inflows from partners up 10 per cent. David Jones is the latest major Australian brand to join the program and will provide another opportunity for members to earn and redeem points on the ground, while long-term partner Woolworths Group has extended its partnership with the program beyond 2030.

Hotels, Holidays and Tour bookings achieved double digit growth in total transaction value to $1.5 billion, which includes an increase of more than 50 per cent in TripADeal bookings.

Investment in Customer and Operations

The Group invested significantly in customer-focused initiatives during the year, including the arrival of 17 new aircraft, delivering a more reliable, on time and seamless customer experience.

Investments in operational improvements also helped Qantas achieve its best domestic on time performance since 2019, with 82 per cent of flights in the second half departing on time. Jetstar's on time performance improved by 3 percentage points during the year, with 76 per cent of flights in the second half departing on time. Jetstar’s cancellation rate of less than 2 per cent is its best annual performance in seven years.

Customer satisfaction improved for Qantas and Jetstar, with Qantas’ Net Promoter Score improving by 10 percentage points and Jetstar improving by 6 percentage points. Qantas was awarded Best Airline in Australia/Pacific at the 2025 Skytrax World Airline Awards.

Qantas opened new lounges in Adelaide and Broome and commenced significant upgrades to its Sydney International and Los Angeles Business lounges, and its Auckland lounge. Qantas also activated fast and free international Wi-Fi on South East Asia and trans-Tasman routes, with more markets to be connected during the coming year. Jetstar enhanced its in-app self-service capability, launched tap and go for easy onboard payments and improved its ancillary product offering.

Our People

During the year, the Group invested significantly in training and development initiatives, as well as the ongoing rollout of frontline and corporate technology solutions that allow its people to work more efficiently.

Group employee engagement improved by 7 percentage points in the latest engagement survey[6], putting the organisation 4 points above the global industry average[7].

The Group also continues to reward its people, including a one-off $1,000 Thank You payment to around 25,000 non-executive employees which was made in December 2024 and a new employee share plan announced today, which will see eligible non-executive employees receive $1,000 in Qantas shares on an annual basis, subject to the Group’s financial performance.

[6] Qantas Group Engagement Survey April 2025 compared to March 2024
[7] Average engagement for Global Transport companies in Qualtrics global benchmarks, April 2025.

Sustainability and Community

Sustainability remains a key priority for the Group as it takes action towards its 2030 sustainability targets. Through its $400 million Climate Fund, the Group has now committed more than $100 million to Sustainable Aviation Fuel (SAF) and other decarbonisation projects. In April, the Group announced a $15 million investment in ClimateTech Partners, an Australian-based venture capital fund investing in climate improvement businesses and projects.

The Group recently expanded its SAF uptake from Los Angeles with an agreement to use more than 100 million litres of SAF over the next three years.

In Australia, a partnership with Sydney Airport and a coalition of large corporate customers enabled the largest ever importation of SAF into the country. This importation was a positive test of Sydney's fuel infrastructure and further confirmed the industry's commitment and desire to see investment and policy support for Australian-based SAF supply.

The Group also made improvements to its customer-facing Voluntary Carbon Program during the year, with 70 per cent of the carbon portfolio now made up of nature-based projects, and 50 per cent of the portfolio linked to an Australian-based project.

The Group also continues to expand its support for Australian communities, including entering a new four-year partnership with Surf Life Saving Australia and three-year partnership with the Australian Red Cross during the year. The Group will provide funding for the training of 750 new Red Cross volunteers as part of the partnership, with more than 150 volunteers already trained.

More than $60 million in flight discounts were provided to regional and remote customers via the Resident Fares Program and more than $2 million in grants were given to regional community groups.

Financial Framework and Shareholder Returns

The Group ended the year with $12.2 billion of liquidity, including $2.2 billion in cash, $1.4 billion in committed undrawn facilities and $8.6 billion in unencumbered fleet and other assets.

Net debt increased to $5.0 billion, remaining below the middle of the Group's target range of $4.6 billion to $5.7 billion, while net capital expenditure totalled $3.9 billion as the Group's fleet renewal program accelerated.

The Board has approved a final dividend, comprising a fully franked base dividend of $250 million (16.5 cents per share), and a special dividend, also fully franked, of $150 million (9.9 cents per share). The dividends will be paid on 15 October 2025. This is in addition to the $400 million interim dividend announced in February.

Ground handling decision and cyber incident

Earlier this month, the Federal Court finalised the legal case relating to the outsourcing of Qantas' ground handling in 2020. Qantas has reiterated its apology to affected former employees for the impact that losing their jobs and the subsequent five-year legal process has had on them and their families. In December, Qantas reached an out-of-court settlement with the Union for $120 million in compensation for former employees and has paid the full penalty that was handed down last week.

In June, 5.7 million Qantas customers were impacted by a cyber incident which saw some of their personal data compromised. Additional protections were put in place and the airline continues to support impacted customers, with a support line and specialist identity protection advice available.

Outlook

The Group expects ongoing strong travel demand into 1H26. Group Domestic unit revenue is expected to increase by 3-5 per cent in the first half of FY26 compared to the previous year. Group International unit revenue is expected to increase by 2-3[8] per cent over the same period. Qantas Loyalty is expected to grow Underlying EBIT by 10-12 per cent in FY26.

Other key assumptions and expectations are summarised below:

- Fleet entry into service and transition costs are forecast to be approximately $160 million in FY26, approximately $30 million higher than FY25, primarily attributable to the introduction of the A321XLR fleet on Qantas' domestic network.
- The gross impact of Same Job Same Pay in FY26 is approximately $115 million, an increase of around $50 million compared to FY25, with approximately $35 million in the first half.
- Industry costs, including airport and infrastructure charges[9], net of recoveries are expected to increase by approximately $50 million in 1H26 versus 1H25.

[8] Includes Jetstar Asia.
[9] Includes government mandated infrastructure charges

- Jetstar Asia is expected to record a 1H26 underlying EBIT loss of approximately $23 million. Closure-related expenses of approximately $115 million[10] to be taken outside of underlying earnings in FY26.
- 1H26 fuel cost expected to be $2.6 billion[11], inclusive of hedging and carbon cost[12].
- FY26 depreciation and amortisation is expected to be approximately $2.3 billion, with net finance costs expected to be $300 million.
- Targeting transformation of approximately $400 million in FY26 to offset CPI, inclusive of cost and revenue initiatives, weighted 35 per cent in 1H26 and 65 per cent in 2H26.
- Net Debt is expected to be at or below the middle of the Net Debt Target Range[13].
- Management remain committed to performance targets[14].

Refer to the FY25 Investor Presentation for further detailed outlook information.

Qantas Group Capacity

Capacity Guidance[15] (vs prior corresponding period)	1Q26	2Q26	1H26	2H26	FY26
Group Domestic	**+5%**	+6%	+5%	+6%	+6%
Qantas Domestic	+3%	+6%	+5%	+5%	+5%
Jetstar Domestic	+7%	+6%	+6%	+8%	+7%
Group International	**+5%**	+3%	+4%	+4%	+4%
Qantas International	+8%	+6%	+7%	+9%	+8%
Jetstar International[16]	+2%	(2%)	(0%)	(4%)	(2%)
Total Group	**+5%**	+4%	+5%	+5%	+5%

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Authorised for release by the Qantas Board of Directors.

[10] Includes foreign exchange translation reserve losses (non-cash impact) with impact at end of July 2025 of ~($61) million, and will be subject to change based on foreign exchange movements until the Jetstar Asia entities are wound up.
[11] 1H26 fuel cost based on forecast consumption of approximately 16.2 million barrels (including SAF); assumes 1H26 market jet fuel price of approximately A$134 per barrel excluding hedging, into-plane costs, SAF premium and carbon credit costs.
[12] Refer to slide 34 in the FY25 Investor Presentation for further detail.
[13] Refer to slide 29 of the FY25 Investor Presentation for further detail.
[14] Airline performance margin targets and Loyalty EBIT target as set at 2023 Investor Day.
[15] ASKs compared to corresponding period in prior year.
[16] Including Jetstar Asia.