

QANTAS GROUP DELIVERS STRONG 1H26 RESULT AS FLEET EXPANDS AND UNVEILS MAJOR FREQUENT FLYER IMPROVEMENTS

26 February 2026

Underlying Profit Before Tax \$1.46b Up \$71m ¹	Statutory Profit After Tax ² \$925m Up \$2m	Group Net Capex \$1.8b Up 27%	Shareholder returns \$450m \$300m base dividend Up to \$150m share buyback
On time performance ³ Qantas +3 pts Jetstar +2 pts	Customer Net Promoter Score ⁴ Qantas +5 pts Jetstar +4 pts	New aircraft delivered 9	Underlying earnings per share 68 cents Up 7%

New updates:

- Qantas Loyalty announces comprehensive program improvements for Frequent Flyers.
- Qantas to launch the first direct flight between Sydney and Las Vegas.

Results Overview – Comments from Qantas Group CEO Vanessa Hudson:

"As we enter an exciting new era for the Qantas Group, our focus continues to be on delivering for our customers, employees and shareholders. By consistently delivering strong earnings growth we're able to continue investing in the largest fleet renewal in our history.

"We're already seeing the benefits from the next generation aircraft that are flying, which along with strong demand, our dual brand strategy and expanding Loyalty business, helped us deliver another strong result.

"These new aircraft are not only improving the experience for our customers and opening up new opportunities for our people, they're also helping drive our financial performance.

"Around 60 per cent of Jetstar's increase in profitability in the half was driven by its new aircraft, through a combination of growth, new network opportunities and the redeployment of existing aircraft onto other routes.

"This gives us confidence in the benefits that will flow once Qantas' new aircraft reach scale. We've already started to see an acceleration in deliveries for Qantas, with six new aircraft arriving in the half and a further 30 arriving over the next 18 months.

"Some of these new aircraft will replace older aircraft, while some will support growth by opening up new routes, like the ultra long range A350s, which will operate Project Sunrise flights.

"Along with the investment we are making in our customers and people, we are also increasing returns to shareholders. The Board has approved a \$300 million fully franked base dividend, an increase of \$50 million, along with a share buy-back.

"None of this would be possible without the dedication and professionalism of our 30,000 team members across the Qantas Group. They are the ones delivering these improvements every day for our customers, and I want to thank them for their continued commitment. We remain on track to award another \$1,000 in shares to non-executive employees later this year.

"Despite the strong performance, we have seen a sharp increase in some costs like airport charges and Government fees, which have increased at double the rate of inflation over the past 12 months. We are offsetting these where possible through transformation and we're working across the industry to address what can be done to ensure this doesn't impact the ongoing affordability of air travel in this country."

1. This and other performance data comparisons in this announcement are between 1H26 and 1H25, unless stated otherwise.

2. Statutory Profit After Tax includes impact of the closure of Jetstar Asia and legal provision increases.

3. Percentage of Qantas Domestic/QantasLink and Jetstar domestic flights that departed on time in 1H26 compared to 1H25. Source: BITRE

4. Domestic and International Net Promoter Scores 1H26 compared to 1H25.

Group Domestic

Qantas and Jetstar continued to see sustained growth in travel demand across the domestic market, as well as the benefits of fleet renewal, which helped Group Domestic deliver \$1.05 billion in Underlying EBIT, an increase of 14 per cent. Both airlines also saw improved on time performance and customer satisfaction, with Qantas recording the highest on time performance of the major domestic airlines⁵.

Qantas Domestic's revenue increased by 5 per cent, supported by a 4 per cent increase in capacity. This was underpinned by 6 per cent passenger revenue growth in business-purpose travel, particularly small and medium sized businesses and the Western Australia resources market, as well as 9 per cent passenger revenue growth from premium leisure travel. Six new aircraft arrived in the half, including A321XLRs, which entered service in September. As more aircraft enter the fleet they will enable the planned retirement of the airline's older Boeing 737 aircraft, commencing in late calendar year 2026. QantasLink also benefitted from fleet renewal, with more mid-life A320 and A319 aircraft supporting 10 per cent capacity growth across intra-WA.

Qantas invested significantly in enhancing the onboard experience, including preparing for the introduction of the Qantas Economy Plus product in February, offering more legroom and priority access to overhead baggage space. The product is being rolled out across its A220, A321XLR, A330 and 737 fleets and is complimentary for Platinum One, Platinum and Gold tiered members, in recognition of their ongoing loyalty.

Jetstar's domestic operations had another outstanding half, carrying more than 8.5 million passengers during the period, helping it to deliver a 38 per cent increase in Underlying EBIT. This result was driven by strong leisure demand, its new A320neo and A321LRs which are now at scale, and benefits from an ongoing focus on transformation. The redeployment of Jetstar Asia's A320 aircraft was completed in December 2025, enabling the return of leased aircraft and capacity growth in Australia and New Zealand. Importantly, more than half of Jetstar's customers flew for under \$150 as it continued to provide value and more choice for customers⁶.

Group International and Freight

Strong demand for international travel continued, with Qantas and Jetstar adding new routes and frequency to popular destinations like Japan, Bali and across the Tasman, while investing in the customer experience including lounge upgrades. Group International Underlying EBIT for 1H26, excluding Jetstar Asia and Jetstar Japan, was down 6 per cent to \$463 million. This decline was largely due to cost escalation in Qantas International including elevated engineering and industry costs, higher wages across some operational workgroups and the commencement of training for new aircraft.

The return of another A380 saw Qantas International capacity increase by 5 per cent, with revenue growing by 5 per cent, helped by growth in premium cabin demand and yields, which outpaced Economy cabins. The strong financial performance and customer satisfaction on existing ultra long haul routes continues to provide confidence ahead of Project Sunrise. While demand for flights from the US to Australia has increased, this has not offset reduced demand in Economy for flights from Australia to the US. In response, Qantas is adjusting some US schedules, replacing the A380 with a 787 on Melbourne-Los Angeles and redeploying the A380 to Sydney-Singapore.

Qantas continued to invest in the customer experience on the ground and in the air. The refurbished Auckland lounge opened in December, with Los Angeles and Sydney Business lounge refurbishments commencing during the period. This investment, coupled with improvements in on time performance, has seen customer satisfaction rise 4 points.

Looking ahead, the airline will refurbish 10 A330 aircraft, including new Economy seats and entertainment screens, and continue the rollout of Wi-Fi on international flights.

Jetstar's international business performed strongly, with earnings from its Australian international airline up 9 per cent. The airline carried almost 600,000 more customers to and from Australia in the six months to December. Supporting this growth, the delivery of two more A321LRs during the period enabled increased flying on popular routes and the launch of new routes including Newcastle-Denpasar, Gold Coast-Denpasar, Brisbane-Cebu and Perth-Manila. Singapore-based Jetstar Asia closed in July and the Group has announced its intention to sell its stake in Jetstar Japan as it focuses on its core business in Australia.

The airline's strong performance is enabling continued investment in the customer experience, with its first refurbished 787 set to enter service next month following a full cabin refurbishment, including a doubling of seats in Business.

Qantas Freight also delivered growth, with net freight revenue growing by 5 per cent, enabled by ongoing transformation projects as well as new fleet benefits. Qantas Freight will begin operations at Western Sydney Airport's 24-hour cargo precinct in mid-calendar year 2026, helping meet growing e-commerce demand.

5. Bureau of Infrastructure and Transport Research Economics

6. Approximate percentage of passengers travelling with a base fare under \$150 for a one-way trip in CY25 domestically in Australia and New Zealand.

Qantas Loyalty

Qantas Loyalty continues to deliver strong results, with Underlying EBIT of \$286 million, up 12 per cent. This was driven by the fundamental strength of the Frequent Flyer program through member engagement and a growing list of partners, as well as continued revenue growth from Qantas Business Rewards, Hotels and Holidays, and TripADeal.

Qantas Frequent Flyer grew to over 18.3 million people, with members earning 10 per cent more Qantas Points and the rate of earn increasing across all sectors. Points earned through retail partners increased by almost 20 per cent, with long-term partners Woolworths and Red Energy seeing double-digit growth. The partnership with David Jones, which launched in September, is providing members with enhanced options to earn points in fashion and beauty. Points earned across financial services grew by 6 per cent, further supported by diversification including Qantas Money home loans, with the portfolio now exceeding \$2 billion in value.

Points redeemed grew by 17 per cent, driven by increased flight reward bookings following the rollout of Classic Plus. More than 2.5 million reward seats were booked during the six-month period, or an average of 14,000 per day. Retail partnership redemptions were up 15 per cent, with Ticketek redemptions rising by 50 per cent as members used points for sporting and music events.

Our People

The dedication and commitment of the Group's 30,000 employees enabled improvement in operational performance and customer satisfaction, with the Group adding more opportunities for development and career progression.

This includes supporting more than 5,600 employees through leadership development programs, while investing in future capability with nearly 100 new pilots joining the Qantas Pilot Academy and the engineering apprentice program growing to 250 apprentices.

Eligible non-executive employees are on track to receive another \$1,000 in Qantas shares later this year, following the introduction of an annual award, which is subject to the Group's financial performance.

As Qantas and Jetstar continue to add new aircraft and expand their networks, the Group remains on track to create 8,500 jobs in Australia by 2030. This includes an additional 3,500 cabin crew and more than 1,000 pilots. A new Jetstar Perth cabin crew base will open later this year, creating 90 roles while Qantas will re-establish a cabin crew base in Asia, to be opened in Singapore, supporting its growing international network.

Financial Framework and Shareholder Returns

The Group ended the half with \$12.6 billion of liquidity, including \$1.8 billion in cash, \$1.2 billion in committed undrawn facilities and \$9.6 billion in unencumbered fleet and other assets.

Net debt increased to \$5.6 billion, remaining at the bottom of the Group's target range of \$5.6 billion to \$7.0 billion, while net capital expenditure totalled \$1.8 billion as the Group's fleet renewal program accelerated. Capital expenditure for FY26 is expected to be between \$4.1 billion and \$4.3 billion and between \$5.1 billion and \$5.4 billion in FY27.

The Board has approved a fully franked interim base dividend of \$300 million (19.8 cents per share), a 20 per cent increase on the base dividend in both 1H25 and 2H25. The dividend will be paid on 15 April 2026. In addition, the Group intends to undertake an on-market share buyback of up to \$150 million.

Outlook

The Group expects strong travel demand across the portfolio. The evolving economic environment in the US will continue to be monitored.

Group Domestic unit revenue is expected to increase by approximately 3 per cent in the second half of FY26 compared to the previous year.

Group International unit revenue is expected to increase by 1-3 per cent⁷, inclusive of higher capacity mix from Qantas International, 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 \$20 million higher than 2H25, primarily attributable to the introduction of the A321XLR fleet on Qantas' domestic network.

⁷ Includes Jetstar Asia.

- The gross impact of Same Job Same Pay in FY26 is approximately \$95 million, an increase of around \$15 million in 2H26, and is expected to mitigate over time.
- Charges to be taken out of underlying earnings in 2H26 are expected to be approximately \$110 million including Jetstar Asia closure costs⁸ and restructuring costs.
- 2H26 fuel cost expected to be approximately \$2.5 billion⁹, inclusive of hedging and carbon cost¹⁰ and around \$35 million of transformation benefit.
- FY26 depreciation and amortisation is expected to be approximately \$2.25 billion, with net finance costs expected to be around \$300 million.
- Targeting transformation of approximately \$400 million in FY26 to offset CPI, inclusive of cost and revenue initiatives, weighted 40 per cent in 1H26 and 60 per cent in 2H26.
- Net Debt is expected to be at or below the middle of the Net Debt Target Range.¹¹
- Management remain committed to margin targets for the airline businesses and EBIT target for Qantas Loyalty.¹²

Refer to the 1H26 Investor Presentation for further detailed outlook information.

Qantas Group Capacity

Capacity Guidance ¹³ (vs prior corresponding period)	3Q26	4Q26	2H26	FY26	1Q27
Group Domestic	+5%	+4%	+4%	+4%	+3%
Qantas Domestic	+5%	+4%	+4%	+4%	+4%
Jetstar Domestic	+5%	+4%	+4%	+5%	+3%
Group International	+4%	+3%	+4%	+3%	+4%
Qantas International	+8%	+7%	+8%	+7%	+5%
Jetstar International ¹⁴	(4%)	(4%)	(4%)	(2%)	+3%
Total Group	+4%	+3%	+4%	+4%	+4%

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Authorised for release by the Qantas Board of Directors.

8. Includes foreign exchange translation reserve losses (non-cash impact) with impact at end of December 2025 of (-\$54 million) and will be subject to change based on foreign exchange movements until the Jetstar Asia entities are wound up in line with expected closure plans.

9. 2H26 fuel cost based on forecast consumption of ~16.2 million barrels (including SAF); assumes 2H26 market Jet fuel price of approximately A\$125 per barrel excluding hedging, into-plane costs, SAF premium and carbon credit costs.

10. Refer to slide 36 of the 1H26 Investor Presentation for further detail.

11. Refer to slide 30 of the 1H26 Investor Presentation for further detail.

12. Airline performance margin targets and Loyalty EBIT target as set at 2023 Investor Day.

13. ASKs compared to corresponding period in prior year.

14. Including Jetstar Asia.