

ASX/Media Release

QANTAS ACCELERATES EXPANSION INTO HOLIDAY PACKAGES MARKET BY ACQUIRING REMAINING STAKE IN TRIPADEAL

Thursday 13 June 2024: Qantas today announced it will purchase the remaining 49 per cent of Byron Bay born online travel business TripADeal, accelerating Qantas Loyalty's exposure to the growing \$13 billion online holiday packages market.

The acquisition will enable the Group to deepen synergies by combining Qantas and Jetstar's extensive network with the growing curated tour market. It will also create a more tailored and integrated experience for Qantas Frequent Flyers.

Qantas acquired a majority stake in TripADeal in 2022, enabling its Frequent Flyers to earn and use their Qantas Points on African safaris, Fiji beach holidays, European getaways, adventures to India, and other ready-made holiday packages.

The remaining 49 per cent will be purchased for \$211 million, with the transaction expected to be completed by the end of June 2024. Through the full acquisition, Qantas expects combined cost and revenue synergies to build to at least \$50 million annually across the Group, over time.

Billions of Qantas Points have been earned and used since the Frequent Flyer integration, including a record 3.9 million points used by one member to book a 35-day round the world tour.

During July 2024, Qantas members will also receive a 30 per cent discount on bookings made with points, representing some of the best value for points across the Frequent Flyer program.

TripADeal's success at curating on-trend and well-priced holidays, together with the reach of Qantas' 15.8 million members, has seen sales and revenue growth exceed expectations. Bookings¹ have surpassed \$450 million in the last twelve months, doubling pre-COVID levels.

TripADeal will continue to operate as an independent business, working with a range of travel partners and airlines, including Qantas and Jetstar, to build and deliver ready-made packages. TripADeal recently added cruises to its platform, expanding the itinerary options for travellers.

The purchase will see founders of TripADeal, Norm Black and Richard Johnston, depart the business. Matt Wolfenden, who has been with the company for seven years, has been promoted to CEO and will lead the 150-strong team in Byron Bay and tour guides based in 30 countries.

TripADeal's proven business model, strong demand for packaged holidays, as well as opportunities for further value creation under sole ownership across the airline businesses as well as Qantas Loyalty, gives the Qantas Group significant confidence this investment will deliver a strong return for shareholders.

COMMENTARY

Qantas Loyalty CEO Andrew Glance said: "TripADeal has been building on-trend and well-priced holiday packages for over a decade and has delighted millions of holidaymakers in the process. This success has only been turbocharged by the Qantas partnership, and the opportunity for our members to earn and use their points.

"With TripADeal bookings growing at 70 per cent over the last year, and more opportunities to strengthen the offering and realise further synergies, this deal is great news for our customers and the Loyalty business more broadly.

¹ Total Transaction Value of bookings made using cash and/or Qantas Points



“Norm and Richard should be congratulated for building an incredibly successful, Australian-born business, and we couldn’t be more pleased to be custodians of TripADeal moving forward.”

TripADeal Co-Founders Norm Black and Richard Johnston said: “As founders of a home-grown business that has made it easier for millions of Australians to take amazing holidays at the click of a button, this is a proud moment for us. We have worked hard to build and grow TripADeal from the ground up and know Qantas will take it into a new era of success.”

QANTAS LOYALTY FINANCIAL IMPACT

This transaction is the latest expansion for Qantas Loyalty. The investment is expected to deliver a strong result for shareholders with returns exceeding the Qantas Group’s internal hurdles.

Qantas Loyalty continues to perform strongly and retains its \$800 million - \$1 billion target for 2030. Continued focus on member engagement, earn and redemption strategies and key program partners remain critical drivers of loyalty going forward.

Following this acquisition, Qantas Loyalty still expects to deliver Underlying EBIT in FY24 of \$500 - \$525 million before returning to growth of at least 10 per cent in Underlying EBIT in FY25.

The acquisition cost of \$211 million will be captured within existing Qantas Group capex guidance of \$3 - \$3.2 billion for FY24 with the deal expected to close prior to 30 June 2024.

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