

14 November 2025

Virgin Australia market update – November 2025

Virgin Australia Holdings Limited ('Virgin Australia' or 'Group'; ASX:VGN) today announced a market update.

In the 2026 financial year to date, Virgin Australia has continued to experience strong demand, while delivering strong operational performance for its customers.

For the Airlines segment, in line with guidance provided in August 2025, domestic capacity growth¹ in 1Q FY26 was 5% and for 1HFY26 is expected to grow 4%. Revenue per Available Seat Kilometre (RASK) growth for 1HFY26 is expected to be in line with the previously disclosed guidance range of 3-5% compared to the prior corresponding period (pcp).

Total cost increases are broadly in line with expectations. It is expected that moderate benefits from lower fuel costs in FY26 will be offset by above-the-line investment to support the ongoing Transformation Program initiatives that are targeted to provide benefits in future years.

Virgin Australia's average departure on-time performance rate was 72.5% and it maintains the lowest average cancellation rate of the mainline Australian domestic airlines with 98.3% of flights completed in the September 2025 quarter.

In September 2025, Virgin Australia was recognised as the Most Trusted Travel & Tourism Brand in the 2025 Roy Morgan Trusted Brand Awards for the third consecutive year, reflecting the trust Australians continue to place in the airline's commitment to customer service, transparency, and reliability. Customer satisfaction continues to strengthen, with Virgin Australia's Strategic Net Promoter Score increasing 2 points from 27 for FY25 to 29 for the September 2025 quarter, demonstrating the Group's commitment to delivering exceptional guest experiences.

In October 2025, Virgin Australia made Australian aviation history, launching Australia's first Pets in Cabin flights on select routes, with rollout across the national network expected by late 2026. Neighbour-free seating, a new way for eligible Economy guests to unlock extra comfort and privacy during their flight by submitting a bid to reserve an empty seat beside them on select flights, was launched in the prior month.

Virgin Australia is also providing domestic capacity guidance for the second half of the financial year 2026 (2HFY26). Domestic capacity growth¹ is expected to be 2% in 2HFY26 as tabled below.

(versus prior corresponding period)	Actual	Forecast			
	1Q FY26	2Q FY26	1HFY26	2HFY26	FY26
Virgin Domestic Capacity Growth¹	5%	3%	4%	2%	3%

¹ ASKs compared to corresponding period in prior year.

Net capital expenditure in FY26 is now expected to be \$800 million compared to previous guidance of \$900 million, with the rescheduling of some maintenance events relating to the existing fleet to FY27 and an improved pre-delivery payment profile reflecting Boeing fleet delivery changes.

Virgin Australia is progressing with its fleet growth and renewal program which includes new 737 MAX-8 and E190-E2 aircraft. The delivery timeline of new aircraft in FY26 remains in line with prior guidance. To date it has received six of the 13 new Boeing 737-8 (Max) aircraft and one of the four new Embraer E190-E2 aircraft expected to be delivered in FY26. It is noted that the majority of new aircraft will be used to replace existing aircraft.

The Velocity segment has traded in line with expectation and FY26 guidance remains unchanged. Virgin Australia is not expecting any material adverse impact at the Group level in FY26 from the proposed changes announced on credit card surcharge and interchange fees, to which a decision by the RBA has now been deferred to March 2026.

As previously advised, Underlying EBIT margin at the Group level is expected to continue to improve in FY26, supported by the impact of the Transformation Program initiatives which are expected to deliver a gross benefit of approximately \$400 million in the period.

2025 Annual General Meeting (AGM)

Virgin Australia's 2025 AGM will commence at 10.00am (AEST) today, 14 November 2025, which will be webcast live and can be accessed from Virgin Australia's website at virginaustralia.com/investors. The Chair and the Managing Director & CEO's addresses, along with the results of the AGM items of business, will be released to the ASX today and available at virginaustralia.com/investors.

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Authorised for release by the Virgin Australia Holdings Limited Board.

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About Virgin Australia Holdings Limited

Virgin Australia Holdings Limited ('Virgin Australia'; ASX:VGN) was founded in 2000 and is now one of the largest Australian airlines operating an extensive domestic network as well as short-haul international services, charter and cargo operations, and its loyalty program, Velocity Frequent Flyer. Velocity members can use their Points to redeem flights to over 650 destinations around the world through Virgin Australia and the airline's extensive list of international partner carriers. Virgin Australia employs more than 8,000 people. For further information please visit virginaustralia.com