

QANTAS GROUP DELIVERS STRONG FY26 AND CONTINUES INVESTING FOR CUSTOMERS

27 August 2026

Underlying Profit Before Tax \$2.06b down \$330m ¹	Statutory Profit After Tax ² \$1.29b down \$316m	Net Impact of Middle East ³ \$420m	Final shareholder dividend \$300m 19.8 cents per share
Customer Net Promoter Score ⁴ Qantas +7 pts Jetstar +1 pts	New aircraft delivered 17	Group Net Capex \$4.0b Up 3%	Underlying earnings per share 96 cents down 14 cents

Updates

- Qantas unveils next evolution of Business seats and details on further improvements for frequent flyers.
- New Qantas Group training centre opens in Mascot, as part of broader \$100 million investment in new facilities.
- Around 25,000 non-executive employees to receive \$1,000 in shares as part of share plan.

Results Overview - Comments from Qantas Group CEO Vanessa Hudson

"This has been another year of progress, with customer satisfaction at its highest in a decade and world-leading operational performance, even as the aviation industry faced record high fuel costs and disruption from the conflict in the Middle East. We came through it with a strong result, which is what allows us to continue investing in the largest fleet renewal in our history and deliver more for our customers, people and shareholders.

"This year was defined by two very different operating environments, as a result of the conflict in the Middle East. In the first half, Qantas and Jetstar were both performing strongly, with demand growing across the domestic and international networks. Our new aircraft allowed us to add capacity and open new routes, which helped us to increase revenue. Qantas continued to see growth at the premium end of the market while Jetstar went from strength to strength and continued to deliver value, when many are feeling cost of living pressures. This performance highlights the benefits of our dual brand strategy.

"The final four months of the year saw business and consumer confidence fall as the conflict and economic headwinds created uncertainty, and some large corporates and Government responded by managing their costs more tightly, reducing demand for travel. In response to the surge in fuel prices, we quickly adjusted fares and capacity, and redeployed aircraft to give customers more options to fly to Europe. These actions, along with other mitigations, limited the net impact on earnings to \$420 million, despite a \$610 million increase in our fuel bill.

"Qantas Loyalty continued to deliver value for frequent flyers with a record number of Reward Seats booked, with double-digit earnings growth that provided stability while the flying businesses carried a higher fuel bill.

"Our fleet renewal continued at pace, with 17 new aircraft arriving during the year and up to 31 more to arrive in the year ahead, with the majority joining Qantas. Customers are telling us how much these aircraft are improving the flying experience, and they're a big part of what's driving our financial performance too. With our first Project Sunrise A350-1000ULR to arrive in April, and more A350s and 787s on the way, it's a new era for Qantas' international fleet with these next generation aircraft set to transform the way our customers travel. This means we can commence the retirement of our A380 fleet from 2028.

"Transformation continues to be a priority, helping offset rising costs so we can keep investing in our business for the future. With cost pressures set to continue, transformation will help us manage these increases and keep delivering for our customers and our people, including through the increased use of technology and AI.

"I want to thank every one of our team members for the professionalism and commitment they showed in continuing to deliver for our customers through a year when the whole industry was under pressure. I'm pleased that we will again be providing \$1,000 in shares to eligible non-executive employees.

"There is a lot for our customers to look forward to. This year we'll begin direct flights from Sydney to Las Vegas, reopen the Sydney International Business Lounge, continue to upgrade Jetstar's 787s and have Wi-Fi available on the vast majority of Qantas International flights."

1. This and other performance data comparisons in this announcement are between FY26 and FY25, unless stated otherwise.

2. Profit After Tax. Refer to slide 7 of FY26 Supplementary Presentation for reconciliation between Underlying and Statutory Profit Before Tax. Refer to the Glossary (see slide 31) of the FY26 Investor Presentation for the definition of Underlying PBT.

3. Increased annual fuel cost minus the net benefit of mitigations.

4. Domestic and International Net Promoter Scores FY26 compared to FY25.

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Group Domestic

Qantas and Jetstar continued to see strong travel demand and strong revenue across the domestic market for the majority of the year, which saw Group Domestic deliver \$1.44 billion in Underlying EBIT, despite the impact of significantly higher fuel costs. Both airlines continued to focus on improving customer satisfaction and operational performance, with Qantas recording almost 85 per cent on time departures in June, performing better than any major airline globally for the month, and achieving its highest Net Promoter Score in a decade.

Qantas Domestic revenue increased 5 per cent, supported by a 3 per cent increase in capacity. Demand and revenue performance was strong prior to the conflict in the Middle East, particularly with leisure and small and medium-sized businesses. Between March and June, capacity and fare adjustments in response to high fuel prices saw unit revenue increase 5 per cent. Leisure demand remained resilient, with customers continuing to prioritise travel over other discretionary spending, and the intra-WA resources market also held up. Demand among Government and large corporate customers, such as professional services, was impacted as the conflict and other economic headwinds affected business confidence, though Qantas' market share remained stable.

Fleet renewal accelerated during the year, with the Airbus A321XLR entering service and seven aircraft now in operation, and the A220 fleet growing to 12 aircraft. These new aircraft, as well as almost all of Qantas' current Boeing 737s, are now fitted with Qantas Economy Plus seating, which launched during the year and is supporting higher unit revenue and customer satisfaction. The product will launch on Qantas' A330 fleet next month. QantasLink is also refurbishing the existing A320 and A319 fleets, with mid-life Embraer E190 aircraft arriving in the coming months to replace the Fokker F100 fleet.

Jetstar Domestic increased earnings by 15 per cent, supported by an 11 per cent increase in revenue from a 4 per cent increase in capacity over the year. Record passenger numbers helped drive strong load factors, ancillary revenue and yield. Demand for low fares leisure travel remained strong through the fourth quarter, as value-conscious customers continued to travel closer to home, with around half of Jetstar's customers flying for under \$150⁵. The fleet grew to 25 A321LRs and five A320neo aircraft by the end of June, with these next generation aircraft now making up almost half of narrowbody fleet capacity.

Group International and Freight

Strong demand for international travel continued, with Qantas and Jetstar adding capacity and increasing unit revenue, though significantly higher fuel costs saw Group International Underlying EBIT decline to \$650 million⁶.

Qantas International revenue grew 8 per cent, supported by a 7 per cent increase in capacity. Demand for flights to Europe surged as travellers avoided the Middle East, with the airline adding nearly 16,000 seats to and from Europe in the fourth quarter through redeploying aircraft from other parts of the network. Combined seat factor on Qantas' London, Paris and Rome connections grew to 90 per cent during that period. This result was underpinned by strong premium cabin demand and the performance of the 787 fleet on long haul routes, which continues to provide confidence ahead of the launch of Project Sunrise. Premium cabin revenue grew by 15 per cent, twice the rate of Economy.

Jetstar International⁶ continued to perform strongly with 11 per cent capacity growth helping drive record passenger numbers and boosting revenue by 14 per cent. The arrival of more narrowbody aircraft enabled the launch of nine new international routes and the redeployment of 787s, including to Melbourne-Colombo, which launched this week.

Jetstar Asia ceased operations in July 2025, while the Group will divest its minority shareholding in Jetstar Japan, with the transaction expected to be completed by the end of June 2027⁷.

Qantas' international fleet renewal ramps up with the first A350-1000ULR due to arrive in April next year and the first non-stop Sydney-London flight to operate in October. In addition to the 12 Project Sunrise aircraft, the Group has firm orders for 12 A350s and 12 787s. The first of the additional 787s will begin arriving in FY28 with the next evolution of the airline's Business seats, including more space, sliding privacy doors and larger entertainment screens.

Qantas is also in discussions with Airbus and Boeing regarding converting around 20 of its existing purchase right options to firm orders from 2030. The A380 will now be gradually phased out of the fleet from calendar year 2028. The next generation aircraft replacing it can fly further and will be able to operate all routes on the airline's current international network and open up new ones. This fleet renewal is expected to significantly improve Qantas International's earnings performance and reduce operational complexity, with its operating margin expected to increase to 10-12 per cent from FY32.

Net freight revenue grew by 9 per cent during the year, aided by belly freight strength as passenger market capacity declined on some routes. Qantas Freight commenced operations from Western Sydney International's 24-hour cargo precinct in July 2026, supporting growing e-commerce demand.

5. Australian and New Zealand domestic.

6. Jetstar Group contribution includes Jetstar Australia international long haul, short haul and Trans-Tasman.

7. Subject to regulatory approvals.

Qantas Loyalty

Qantas Loyalty delivered 12 per cent Underlying EBIT growth to \$625 million, with the program providing significant value as part of the Group's integrated portfolio. Active members grew 6 per cent, with members earning across two or more categories up 8 per cent, reflecting the strength of Qantas' growing list of partners.

Points earned grew 9 per cent, driven by strong engagement across retail and financial services partners. Uber was the fastest-growing partner, with more than 1 million members now earning points through rides and deliveries, and there was continued growth from Woolworths, Red Energy and David Jones. One in four Australian small and medium-sized businesses are now part of Qantas Business Rewards, with membership up 11 per cent and earnings growing nearly 30 per cent. Bunnings joined the program in July as a new avenue to earn points.

Points redeemed grew 9 per cent, including a record 5 million flight Reward Seats, supported by continued growth in Classic Plus and a 7 per cent increase in First and Business Classic upgrades. Ticketek redemptions grew more than 40 per cent, and Hotels, Holidays and Tours bookings reached \$1.6 billion.

The suite of program improvements announced this year has started to roll out, with more than 20 million searches already made on the new Reward Seats search tool. From September, Frequent Flyers will be able to use points to upgrade on Jetstar international flights operated by 787 aircraft, with Status Credit rollover and on-the-ground status earn to go live in December.

Following the Reserve Bank of Australia's review of card payment costs and surcharging, Qantas has agreed revised commercial terms and extended agreements with its largest credit card partners across banking and financial services. Credit cards remain the most effective way for members to earn points.

Our People

The Group's people were central to the continued improvement in operational performance and customer satisfaction, with employee engagement up again this year. Since 2023, the Group has created 4,400 new operational roles in Australia and, as fleet investment and network expansion progresses, will add thousands more over the coming years.

As the largest investor in aviation skills and training in Australia, more than \$100 million was invested in new training facilities during the year, including additional A350, A220 and A320 flight simulators, and new state-of-the-art emergency procedures training centres in Sydney and Perth. Together, more than 10,000 Qantas and Jetstar pilots and cabin crew will be trained in these facilities annually.

Around 25,000 non-executive employees will receive another \$1,000 in Qantas shares, with the Group having again met the financial performance target, following the introduction of an annual share plan last year.

Financial Framework and Shareholder Returns

The Group ended the financial year with \$13.3 billion of liquidity, including \$3.3 billion in cash, \$2.1 billion in committed undrawn facilities and \$8.0 billion in unencumbered fleet and other assets.

Net debt increased to \$6.2 billion as at the end of June 2026, in the middle of the Group's target range of \$5.5 billion to \$6.9 billion, while net capital expenditure totalled \$4.0 billion as the Group's fleet renewal program continued. Capital expenditure for FY27 is expected to be between \$4.3 billion and \$4.6 billion.

The Group's total fuel cost for the year was \$5.7 billion, including a second half fuel cost impact of \$610 million. The Group's hedging of Brent crude oil provided a \$400 million benefit, with other mitigations including fares and capacity adjustments further reducing the net impact, though the Group was largely exposed to movements in jet refining margins, which increased from US\$20 per barrel in February to a peak of around US\$120.

The Board has approved a fully franked final base dividend of \$300 million (19.8 cents per share). The dividend will be paid on 14 October. This is in addition to the interim dividend of \$300 million announced in February and paid in April. The \$150 million on-market share buy-back that the Group announced at the 1H26 financial results will not proceed.

Outlook

Travel demand remains resilient as customers continue to prioritise travel. International demand across Qantas and Jetstar remains strong, supported by customers redirecting travel away from the Middle East, while domestic demand is tracking broadly in line with the fourth quarter of FY26.

Against this backdrop, Group Domestic total unit revenue (TRASK) is expected to increase by approximately 8 to 10 per cent in the first half of FY27 compared with the first half of FY26. Group International⁸ TRASK is also expected to increase by 8 to 10 per cent over the same period. This guidance is aligned with the Group's current fuel outlook.

Jet fuel prices are expected to remain elevated through the first half of FY27. The Group will continue to take mitigating action and remains highly hedged in Brent crude oil, with significant levels of favourable participation if fuel prices decline. Fuel costs in the first half of FY27 are expected to be approximately \$3.6 billion⁹, including hedging, gross carbon costs¹⁰ and fuel transformation initiatives.

Qantas Loyalty is expected to continue providing earnings resilience, with Underlying EBIT forecast to grow by 5 to 7 per cent in FY27. The segment continues to be on track for its 2030 target of \$800 million to \$1.0 billion in Underlying EBIT.

Entry into service costs for new aircraft are expected to be approximately \$165 million in FY27, \$15 million higher than FY26. This includes increased EIS activity for Qantas International, with the introduction of the first A350-1000 ULR aircraft.

Other key assumptions and expectations are summarised below:

- FY27 depreciation and amortisation is expected to be approximately \$2.4 billion, with net finance costs expected to be around \$400 million.
- Targeting transformation of approximately \$475 million in FY27 to offset CPI, inclusive of cost and revenue initiatives. Cost initiatives include approximately \$60 million of fuel transformation initiatives. Revenue initiatives are included in TRASK.
- Impacts to be taken out of underlying earnings in 1H27 are expected to be approximately \$60 million, mainly comprising the previously announced non-cash Jetstar Asia closure costs¹¹.
- Net Debt is expected to be at the upper end of the Net Debt Target Range at 30 June 2027, trending towards the middle of the range in FY28.
- Management remains committed to segment operating margin targets¹².

Refer to the FY27 Investor Presentation for further detailed outlook information.

Qantas Group Capacity

Capacity Guidance ¹³ (vs prior corresponding period)	1Q27	2Q27	1H27	3Q27
Group Domestic	(2%)	(4%)	(3%)	(2%)
Qantas Domestic	(2%)	(5%)	(4%)	(4%)
Jetstar Domestic	(3%)	(2%)	(2%)	0%
Group International	+2%	+3%	+2%	+1%
Qantas International	+5%	+3%	+4%	+1%
Jetstar International ¹⁴	(3%)	+2%	0%	0%
Total Group	0%	0%	0%	0%

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Authorised for release by the Qantas Board of Directors.

8. Includes Jetstar Asia in prior corresponding period.

9. 1H27 fuel cost based on forecast consumption of ~16.3 million barrels (including SAF purchased); assumes 1H27 market Jet fuel price of approximately A\$200 per barrel excluding hedging, into-plane costs, SAF and carbon credit costs.

10. Refer to slide 30 of the FY26 Investor Presentation for further details.

11. Includes historical foreign exchange translation reserve losses (non-cash impact) 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.

12. Airline performance margin targets as set at 2023 Investor Day.

13. ASKs compared to corresponding period in prior year.

14. Including Jetstar Asia.