

QANTAS GROUP MARKET UPDATE – OCTOBER 2024

25 October 2024

The Group continues to see first half trading in line with expectations. Both Qantas and Jetstar are seeing stable demand in their respective segments across the portfolio.

Jetstar Domestic's unit revenue is outperforming previous expectations due to stronger than anticipated travel demand. Qantas Domestic's load factors and demand for corporate travel continue to improve year on year.

Group Domestic RASK is now expected to increase 3-5 per cent in the first half of financial year 2025, compared to the prior corresponding period. Previous guidance on Group International RASK remains unchanged and is still expected to fall by between 7-10 per cent compared to the prior corresponding period.

Qantas Loyalty is trading in line with expectations with ongoing strength following the launch of Classic Plus Flight Rewards. The business continues to expect at least 10 per cent Underlying EBIT growth in financial year 2025. The [previously disclosed](#) impact of fair value changes from the launch of Classic Plus Flight Rewards is expected to result in lower earnings in the first half of financial year 2025 relative to the prior year.

Geopolitical events continue to create ongoing volatility in fuel prices which would have immediate impacts if they were to escalate or de-escalate. At current prices¹, the expected fuel cost for the first half is now estimated at approximately \$2.55 billion, inclusive of hedging and gross carbon costs. The Group continues to maintain disciplined hedging in line with long-term practices, with strong participation should jet fuel prices fall from here.

Around 27,000 Qantas Group employees were advised today of a thank you payment, as part of recognising the contribution they have made over the past year. A total of \$28 million cost will be recognised in the first half of financial year 2025.

The \$400 million on-market share buy-back announced at financial year 2024 results is approximately 45 per cent complete at an average price of \$7.23. The Group continues to expect the completion of the buy-back prior to 31 December 2024. The outstanding \$31 million on-market share buy-back announced at the first half financial year 2024 results is now complete.

Qantas Group capacity

Capacity Guidance ² (vs prior corresponding period)	1Q25	2Q25	1H25	2H25	FY25
Group Domestic	+1%	+3%	+2%	+1%	+1%
Group International (incl. JSA)	+16%	+18%	+17%	+13%	+15%
Total Group	+10%	+12%	+11%	+9%	+10%

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Authorised for release by the Qantas Board of Directors.

1. Fuel cost based on 1H25 average Jet fuel price of approximately A\$140 per barrel, excluding into-plane costs, SAF, carbon and hedging.

2. ASKs compared to corresponding period in prior year.