

29 August 2025

Virgin Australia delivers on Prospectus forecasts, recording strong performance in revenue and earnings in FY25

Virgin Australia Holdings Limited ('Virgin Australia' or 'Group'; ASX:VGN) today announced its results¹ for the financial year ended 30 June 2025 (FY25).

The Group delivered a strong earnings result while also delivering improved operational performance and customer satisfaction scores.

Pro forma underlying NPAT² \$331m Up 27.8% on FY24	Statutory NPAT \$479m Down 12.3% on FY24	Pro forma underlying EBIT^{2,3} \$650m Up 29.6% on FY24
Pro forma underlying EBIT Margin^{2,3,4} 11.2% Up 1.8 pts on FY24	Revenue \$5,810m Up 8.5% on FY24 Underlying Revenue ⁵	Adjusted Net Debt to Pro forma underlying EBITDA^{2,3} 1.1x at low end of target range

Virgin Australia delivered continued Underlying⁵ earnings growth in FY25, reporting Pro forma underlying NPAT of \$331 million, up 27.8% on FY24. Statutory NPAT for FY25 was \$479 million, down 12.3% on FY24 due to transaction costs related to the Initial Public Offer (IPO) and Qatar Group investment, and the benefit of Future Flight Credits recognised in FY24 not repeated in FY25.

The Pro forma underlying FY25 results², which are in line with or exceed the forecasts set out in the Prospectus for Virgin Australia's IPO (Prospectus), were driven by continued Underlying earnings growth across both the Airlines and Velocity segments.

¹ Financial information in this announcement is derived from the unaudited Preliminary Final Report for FY25.

² The Pro forma underlying results represent the Group's reported Underlying results including Pro forma adjustments, for comparability to Underlying pro forma FY25 Forecast and FY24, per the Prospectus. Refer to the Glossary on pages 31-32 in the FY25 Result Market Briefing presentation for more details. For reconciliations of the FY25 Group Statutory to Group Underlying Income Statement and FY25 Group Underlying to Group Pro forma underlying Income Statement refer to pages 24-25 in the FY25 Result Market Briefing presentation. For non-IFRS measures reconciliations to Statutory financial information refer to Appendix A in the unaudited Preliminary Final Report for FY25.

³ Pro forma underlying EBIT and Pro forma underlying EBITDA excludes IPO and other transaction costs, restructuring costs and other significant items.

⁴ Pro forma underlying EBIT Margin is Pro forma underlying EBIT/Pro forma underlying Revenue.

⁵ Underlying results exclude the impact of significant items. Refer to the Glossary on pages 31-32 in the FY25 Result Market Briefing presentation for more details.

The FY25 results were underpinned by continued progress in the Group's Transformation Program, which delivered more than \$450 million in gross benefits during the year. Together with savings in fuel costs, this offset inflationary headwinds and contributed to further expansion in the EBIT Margin, with the Pro forma underlying EBIT Margin^{6,7} increasing by 1.8 percentage points to 11.2%. The Transformation Program remains ongoing and the Group expects to realise significant additional benefits⁸ in coming years.

Operational performance improved during the financial year, with 76.8% of Virgin Australia flights departing on-time, up 7.2 percentage points on FY24. Virgin Australia achieved a completion rate of 98.4%, up 2.5 percentage points on FY24. In the second half of FY25, Virgin Australia's average on-time performance rate of 82.1% and average completion rate of 98.1% were the highest of the mainline Australian domestic airlines.

Customer satisfaction continues to strengthen, with Virgin Australia's Strategic Net Promoter Score increasing 4 points on FY24 to 27 reflecting the Group's commitment to delivering exceptional guest experiences.

In recognition of the efforts of the Virgin Australia team, eligible employees received \$3,000 in share rights at the time of Virgin Australia's IPO this year, in addition to \$1,000 in annual travel credits for already discounted flights.

Commentary from Virgin Australia Chief Executive Officer and Managing Director, Dave Emerson:

"In FY25, Virgin Australia achieved strong Underlying earnings growth, relaunched long-haul services, advanced our Transformation Program, and lifted operational performance – all while delivering exceptional experiences for our guests.

"We strengthened our partnership with Qatar Airways Group and returned to public ownership through a successful IPO, a strong endorsement of our clear strategy and market position.

"Our unwavering focus on customer service saw Virgin Australia named the World's Best Cabin Crew for the seventh consecutive year, along with being awarded Best Regional Airline in Australia/Pacific and Best Airline Staff Service in Australia/Pacific by Skytrax.

"These achievements are only possible thanks to our wonderful team, who live our values and bring our ambition to be Australia's most loved airline to life every day.

"This weekend we celebrate 25 years of Virgin Australia. We have come a long way since our days as an irreverent start-up that shook up Australian aviation, but one thing remains the same – our people, and their care, passion, and Virgin Flair."

⁶ Pro forma underlying EBIT excludes IPO and other transaction costs, restructuring costs and other significant items. For reconciliations of the FY25 Group Statutory to Group Underlying Income Statement and FY25 Group Underlying to Group Pro forma underlying Income Statement refer to pages 24-25 in the FY25 Result Market Briefing presentation.

⁷ Pro forma underlying EBIT Margin is Pro forma underlying EBIT/Pro forma underlying Revenue.

⁸ Refer to Prospectus Section 3.4.3.1 Realised and Targeted benefits of Transformation Program for more details.

Commentary from Virgin Australia Chief Financial Officer, Race Strauss:

“The Group’s strong financial performance and further expansion of our EBIT Margin in FY25 reflect the continued progress of the Transformation Program, our disciplined approach to investments and operational improvements.

“Importantly, all key financial metrics included in the Prospectus were met or exceeded.”

Airlines

The Airlines segment performed strongly, recording Underlying EBIT⁹ of \$535 million, an increase of \$143 million (+36.4%) on FY24 driven by strong load factors, growth in ancillary revenue and improved passenger mix, contributing to Revenue per Available Seat Kilometre (RASK) growth of 4.0% in FY25. Cost per Available Seat Kilometre (CASK) increased by 1.8% predominantly due to higher maintenance costs and airport fees and was partially offset by lower fuel costs. CASK ex Fuel increased by 6.6% on FY24. The airline carried 20.7 million passengers in FY25 (FY24: 19.2 million).

Velocity

The Velocity segment delivered double digit revenue growth resulting in Underlying EBIT⁹ of \$127 million, up \$12 million (+10.5%) on FY24. Velocity saw a 14% increase in external billings and 12% growth in the active member base, both key measures of performance. Continued investment in new member growth is reflected in stable Underlying EBIT Margin^{9,10} (FY25: 28.3% versus FY24: 28.2%). Velocity continued to grow its partner base, particularly consumer partners as well as launching new financial services products.

Fleet

As at 30 June 2025, Virgin Australia’s fleet stood at 104 aircraft in addition to 11 domestic wet lease lines. The average fleet age¹¹ was 13.4 years and 12.6 years for the Boeing 737 fleet.

One Boeing 737-8 (Max) aircraft was delivered in FY25, after six were delivered in FY24. A further 13 Boeing 737-8 (Max) aircraft are now expected to be delivered in FY26.

As previously disclosed, Virgin Australia Regional Airlines (VARA) will progressively be phasing out its Fokker F100 fleet, which will be replaced by Embraer E190-E2 aircraft with four expected to be delivered in FY26. VARA’s Airbus A320s are to be replaced by Boeing 737 aircraft.

Fleet size at 30 June 2026 is expected to be 107 aircraft¹² in addition to eight domestic wet lease lines.

⁹ Underlying EBIT excludes IPO and other transaction costs, restructuring costs and other significant items.

¹⁰ Underlying EBIT Margin is Underlying EBIT/Underlying Revenue.

¹¹ Calculation excludes wet lease aircraft.

¹² Excludes three VARA A320 aircraft that will continue to be leased but will no longer be operated and will be held for return.

Over the longer term, Virgin Australia expects that its fleet will grow in line with longer term RPT¹³ demand of approximately 3% annually. The ability to respond to changes in demand is retained with flexibility in the fleet and wet lease options.

Balance Sheet

As at 30 June 2025, net debt stood at \$1.2 billion inclusive of capitalised lease liabilities, representing 1.1x FY25 Pro forma underlying EBITDA and is at the low end of the target range of 1-2x. Group liquidity was \$1.4 billion at 30 June 2025, comprised of \$918 million of unrestricted cash, cash equivalents and term deposits, and a \$500 million undrawn debt facility.

Virgin Australia will continue to allocate capital consistent with its Capital Allocation Framework, which aims to make investments return in excess of the Group's cost of capital with surplus funds returned to shareholders.

FY26 Outlook¹⁴

Virgin Australia reaffirms its FY26 Outlook provided in the Prospectus for its Initial Public Offering which is repeated below, with updates on fleet and fuel hedging¹⁵.

Virgin Australia expects continued growth in both revenue and underlying profit for FY26, driven by continued growth in demand for air travel, the impact of the Transformation Program and continued growth in Velocity.

- Recent U.S. Administration tariff announcements have created volatility and impact to Virgin Australia's cost base – primarily through fluctuations in fuel prices and foreign exchange rates, as well as potential cost increases for products and services used.
- Specifically, for FY26, Virgin Australia expects the following:

For Airlines segment:

- Demand for air travel to grow broadly in line with GDP growth;
- Fleet and Available Seat Kilometres (ASK) growth are expected to align with demand growth, including the addition of 12¹⁵ new Boeing 737-8 (Max) aircraft and four new Embraer E190-E2 aircraft expected to be delivered by June 2026, noting that the majority of new aircraft will be used to replace existing aircraft;
- Ongoing impact of the Transformation Program to support RASK growth (and expect RASK growth of 3-5% in 1H FY26 versus 1H FY25);
- Fuel costs managed through hedging program – and in place against adverse movements in fuel prices until December 2025¹⁵;
- Growth in labour and staff-related unit costs compared to FY25 expected to be modestly above inflation; and
- Airport and maintenance costs expected to grow at above inflation.

¹³ Regular public transport, meaning scheduled passenger transport services operated for the public on fixed routes and timetables (in contrast to charter services).

¹⁴ This 2026 Outlook section contains forward looking statements. Refer to the disclaimer on page 2 of the FY25 Result Market Briefing presentation.

¹⁵ Updated in supplementary commentary within FY26 Outlook.

For Velocity segment:

- Double digit growth in external billings, driven by continued membership growth and increased attachment of financial services products.
- At the Group level – Underlying EBIT margin is expected to continue to improve, supported by the impact of the Transformation Program initiatives which are expected to deliver a gross benefit of approximately \$400 million in FY26.
- Significant Items of expenditure in FY26 which are related to the Transformation Program are expected to be less than \$70 million.
- Gross capital expenditure (including maintenance of existing fleet, purchase of additional aircraft and engines, and non-aircraft related capital expenditure) is expected to be approximately \$1.1 billion in FY26. After net proceeds from pre-committed sale and leaseback of aircraft, net capital expenditure is expected to be approximately \$900 million in FY26, driven by the increase in fleet deliveries and scheduled maintenance. This will primarily be funded through operating free cash flow along with a modest increase in net debt (inclusive of capitalised lease liabilities).

In addition, the following supplementary commentary relates to the FY26 Outlook:

- Demand has remained strong and market capacity increases in 1H FY26 have been broadly in line with expectations.
- Virgin Australia currently expects its own domestic capacity for 1H FY26 as follows:

(versus prior corresponding period)	1Q FY26	2Q FY26	1H FY26
Virgin Domestic Capacity Growth¹⁶	+5%	+3%	+4%

- The Group is expected to take delivery of one extra Boeing 737-8 (Max) aircraft in June 2026, brought forward from July 2026, bringing the addition of a total of 13 new Boeing 737-8 (Max) aircraft (instead of 12 as per the Prospectus) and which will result in a net increase of three new aircraft to the fleet, excluding wet lease aircraft and aircraft held for return, in FY26.
- USD Brent Crude Oil price exposure for the remainder of 1H FY26 is 93% hedged and in 2H FY26 is 85% hedged¹⁷. The remainder of the FY26 refining margin exposure is 62% hedged and AUD:USD operating exposures are 97% hedged¹⁷. The hedging portfolio consists of a mix of forward and option contracts which allow participation to favourable market moves should they occur.
- COVID credits of \$93m are currently held on balance sheet and will be used or will expire by 30 June 2026. Any credits that expire will result in a non-cash benefit that will not be included in Underlying EBIT.
- As outlined in the Prospectus, the financial impact of certain share-based payments (Management Equity Plan, VA Take-Off Grant and One-Off Equity Grant) will result in a one-off non-cash expense of \$38.7 million in FY26, and an estimated impact of \$20.7m in FY27 and \$0.6 million in FY28 based on final valuations and the current number of participants. These costs will not be included in Underlying EBIT.
- Virgin Australia is not expecting any material adverse impact at the Group level from the proposed changes announced by the RBA on credit card surcharge and interchange fees in FY26. Longer-term impacts to be determined.

¹⁶ ASKs compared to corresponding period in prior year.

¹⁷ Hedge position as at 6 August 2025.

- Aircraft lease liabilities on the balance sheet denominated in USD as of 30 June 2025 of \$0.8 billion are based on an AUD:USD exchange rate of AUD 0.6581, movements in the FX rate will not be included in Underlying EBIT.

Market Briefing

Virgin Australia will conduct a market briefing on the result at 10.30am (AEST) today, 29 August 2025, which will be webcast live and can be accessed from Virgin Australia's website virginaustralia.com/investors. Additional detail on the Group's FY25 Result is available in the associated Appendix 4E, Preliminary Final Report and Presentation released to the ASX today and available at virginaustralia.com/investors.

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This announcement was authorised for release by the Virgin Australia Disclosure Committee.

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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