9 November 2026

Virgin Australia market update – November 2026

Virgin Australia Holdings Limited ('Virgin Australia' or the 'Group'; ASX: VGN) today provides a trading and outlook update ahead of its participation in the UBS conference in Sydney.

The Group continues to experience strong customer demand, particularly for event-related travel, supported by disciplined capacity management and benefits from its Transformation Program. With fuel costs consistent with previous guidance, the Group reaffirms its outlook with 1HFY27 underlying EBIT to be broadly in line with 1HFY26.

Fuel and operating costs

Fuel costs are expected to be ~$700m[1] for 1HFY27, consistent with previous guidance with hedging partly mitigating ongoing fuel price volatility. Hedging levels for the remainder of 1HFY27 are currently 96% (Brent) and 30% (refining margins).

Virgin Australia's hedging strategy remains unchanged, with hedging levels higher in the near term to manage the risks from fuel price volatility, with other operational levers including fare and capacity adjustments being implemented to be effective in the long term. Based on the forward fuel curve as of 5 November 2026 and the reduced levels of hedging, fuel costs are expected to be higher in 2HFY27 compared to 1HFY27, despite reduced capacity. Hedging levels for 2HFY27 are currently 85% for Brent crude (with full participation to lower prices), with negligible amounts of refining margin hedging.

Other operating costs are in line with expectations with benefits from the Transformation Program and lower maintenance costs expected to partly offset headwinds in airports and labour costs. CASK (ex fuel) growth for 1HFY27 is expected to remain less than RASK growth[2].

Capacity and airfares

Domestic demand remains resilient, with revenue performance supported by disciplined capacity management.

Considering the high fuel and operating cost environment, Virgin Australia has adjusted capacity and airfares. Domestic capacity[3] reduced 1% in 1QFY27 and is expected to reduce by 4% in 2QFY27, consistent with previous guidance of 3% for 1HFY27. Domestic capacity for 3QFY27 is expected to reduce by 4%.

Expected RASK growth[2] for 1HFY27 remains 6-8% consistent with prior guidance.

Velocity

Velocity's FY27 outlook is unchanged with underlying EBIT expected to be broadly flat compared with FY26. Velocity continues to perform strongly, supported by member engagement and its growing financial services partner network.

[1] Based on forward curve as of 5 November 2026 and 3.2 million barrels of oil
[2] Compared to the previous corresponding period
[3] As measured by Available Seat Kilometres (ASK) compared to the previous corresponding period

Velocity remains focused on sustainable earnings growth, targeting low double-digit underlying EBIT growth in FY28 and FY29.

Fleet renewal and investment

Virgin Australia continues to progress its fleet renewal and investment programme to improve efficiency, reliability and the guest experience.

Fleet developments include:

- Delivery of FY27's new aircraft orders have already been completed – five Boeing 737-8 MAX aircraft and two Embraer E190-E2 aircraft.
- Acquisition of four previously leased Boeing 737-800 aircraft, increasing the proportion of owned aircraft in the fleet to approximately 39%.

Following certification of the Boeing 737-10 by the Federal Aviation Administration in the United States, the Group's current delivery schedule provides for the first aircraft in June 2028, with further deliveries scheduled for FY29.

The Group continues to expect FY27 capital expenditure of approximately $900 million to $1.0 billion, consistent with previous guidance.

Balance sheet and capital management

Virgin Australia maintains a strong balance sheet and continues to manage its capital commitments within its capital allocation framework.

The Group expects leverage to remain towards the lower end of its target range of 1–2 times net debt to EBITDA throughout FY27.

ENDS

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

For further information:

Investors
Chris Vagg
General Manager, Investor Relations
+61 409 406 128
investor.relations@virginaustralia.com

Media
Virgin Australia Group Corporate Affairs
1800 142 467
corporateaffairs@virginaustralia.com

About Virgin Australia Holdings Limited

Virgin Australia Holdings Limited (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 600 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**.

Important information

This announcement contains certain forward looking statements. The Disclaimers set out in the FY26 Results release dated 28 August 2026 are intended to apply to this announcement.