

# Capital Management Framework

Over the course of the year, the Board reviewed the airline's capital management settings, with a particular focus on appropriate liquidity and leverage targets that would enable the Company to maintain an investment grade credit rating, as well as consideration of shareholder distribution parameters. The revised capital management framework is effective from the 2024 financial year.

## REVISED CAPITAL MANAGEMENT FRAMEWORK FROM FY24 ENABLING FINANCIAL RESILIENCE AND FLEXIBILITY TO DELIVER ON STRATEGY

### Maintain financial resilience and flexibility

- Target liquidity range of \$1.2 billion to \$1.5 billion
- Net Debt to EBITDA ratio of 1.5x to 2.5x

*Underpinned by our commitment to maintain investment grade credit rating metrics*

### Invest in core operations

- Fleet and infrastructure investments above WACC through the cycle
- Investment to support the airline's decarbonisation ambitions

### Distributions

- Ordinary dividend pay-out ratio of 40% to 70% of underlying net profit after tax (NPAT)
- Return excess capital via special dividends or share buybacks

### Growth capex

- Disciplined investment in value accretive capex
- Target ROIC above pre-tax WACC

