

Chairman's Message

“Amidst all the COVID-related uncertainty, the Group has done an amazing job of delivering safe and reliable essential services.”

This past year has been one of ongoing challenge for the Qantas Group, as Australia and the world continued to battle against the COVID-19 pandemic.

The impact on aviation — and on the national carrier — has been stark.

Our international flights remained at a virtual standstill and there were only about 30 days across the year when we didn't face some form of domestic travel restriction. Thousands of people lost months of work and, in many cases, their jobs.

Unsurprisingly, the Group's revenue fell by two-thirds compared with pre-COVID. To date, the pandemic has cost us more than \$16 billion in lost revenue to the end of FY21.

That number will keep growing as we wait for travel demand to materially recover.

These are the worst trading conditions we've ever faced and they resulted in a \$2.35 billion statutory loss before tax in FY21. But these headline figures don't properly reflect the progress the Group made nor the essential services it kept delivering during the year.

Relatively early in the crisis, when the scale of its impact became clear, we announced a three-year recovery plan to make sure the company would first endure, then quickly recover and repair. I'm pleased to say that plan — which included a lot of hard decisions — is working.

In the first year of the plan we delivered \$650 million of annual cost benefits, which will ultimately grow to \$1 billion from FY23 onwards.

The efficiency improvements that sit behind these numbers helped drive positive cash flow in the second half of FY21, which enabled us to start paying back our COVID-related debt. That gives us a lot of confidence that when we move beyond lockdowns and border closures, the Qantas Group will perform strongly.



Amidst all the COVID-related uncertainty, the Group has done an amazing job of delivering safe and reliable essential services. That has ranged from moving domestic and international freight, to bringing thousands of Australians home on special repatriation flights and keeping regional towns connected.

Those services were strongly supported by the Australian Government, who effectively chartered Qantas, Jetstar and other airlines to provide flights that were necessary but otherwise commercially unviable. As well as delivering services to the community, this also provided work to many across the industry and helped retain critical skills.

I want to recognise the incredible efforts of people across the Group, who have shown tremendous professionalism and resilience in the face of much uncertainty and conditions that were challenging

to say the least. That includes the considerable efforts of the Executive Team led by Alan Joyce, who have steered this company through uncharted territory and are setting it up for recovery. You need only look at many airlines around the world to see things could have gone very differently.

I'd also like to thank my fellow Directors for their ongoing dedication to a company that spent much of the year in acute crisis mode. In particular, I'd like to recognise the service of Barbara Ward and Paul Rayner, who are both retiring at this year's AGM. Barbara and Paul both joined the Qantas Board in 2008 and have provided excellent guidance through some of the biggest challenges the national carrier has faced since privatisation. They leave with our profound gratitude. These retirements take the number of Directors from 10 to eight for the foreseeable future.

The COVID crisis has thrown up many unexpected challenges, but with vaccines rolling out globally, we have confidence that the worst of the pandemic is behind us. The Qantas Group has a big role to play in helping Australia recover and reunite, which in turn, is the source of our own recovery.

A handwritten signature in black ink that reads "Richard Goyder".

Richard Goyder AO