

Chairman's Message

'Before COVID-19, we safely flew more than 50 million passengers each year and had a well-earned global reputation for premium service; as we recover, we're all working hard to return to those heights.'

I want to start by recognising the efforts of the entire Qantas team over the past year. Across the Group, our people have shown incredible resilience and professionalism as we've restarted our operations and safely carried millions of customers.

The past year has, in many ways, provided a sober reflection of the full impact of the pandemic on the aviation industry, with the stop-start nature of the recovery proving exceptionally challenging for our operations, tough for our people and frustrating for our customers.

Even as the industry began the year with optimism about lockdowns and restrictions easing domestically and with international travel returning, the Delta and Omicron waves once again closed borders and suppressed travel demand.

But, as we all adjusted to living with COVID-19, travel rebounded in the fourth quarter with a speed and scale that was extraordinary, resulting in the highest sustained levels of travel demand since the start of the pandemic. While this rapid increase brought its own challenges for the industry both in Australia and globally, it marked a turning point from crisis to sustained recovery.

The Qantas Group has emerged from the pandemic a structurally different but fundamentally stronger and more resilient company. The progress that we've made on our three-year Recovery Plan — with more than \$920 million of cost benefits already delivered — meant we were able to endure the challenges and recover quickly.

Beyond the cost benefits our Recovery Plan delivers, it's the competitiveness, agility and resilience we've built into the Group that gives us confidence in our future. Recovering quickly also means we're able to reduce debt built up during the pandemic and invest for growth and future success.

During the year, the Board approved what is cumulatively the largest aircraft order in the Qantas Group's history. Airbus A321XLR and A220 aircraft will drive the renewal of the Group's domestic fleet over the next decade and open up new direct routes across Australia, including in regional areas. The A350 and Project Sunrise will make any city just one flight from Australia, overcoming the last frontier and resolving the tyranny of distance.

These next-generation aircraft will reduce emissions by at least 15 per cent if running on traditional jet fuel, and significantly better when run on sustainable aviation fuel, helping us meet our commitment on cutting emissions.

Even as we navigated the impacts of the pandemic, we've kept focus on our sustainability commitments. During the year we launched the first Qantas Group Climate Action Plan, providing a roadmap for the Group to reach its net zero goal by 2050 and interim targets for 2030.



The Board is incredibly grateful for the efforts of employees across the Qantas Group during the challenging period of the pandemic and our restart. We've invested in a number of initiatives designed to recognise their contribution to our recovery and retain the talent we need for future growth. These initiatives include around \$10,000 of incentives and share rights as we reach important milestones in our recovery, and a significant boost to Staff Travel, which we know our people value.

I want to recognise the Qantas Group Management Committee led by Alan Joyce. The fact the Group has come through the pandemic in such a strong position is remarkable. The decisions made during that period were not easy — and not always popular — but they were necessary to ensure our iconic company not only survives, but can grow into its next century.

I'd also like to thank my fellow Directors for their stewardship as the Company navigated the depths of the crisis and positioned for recovery and growth. Their high level of commitment brought experience and insight to bear on the significant issues that the Qantas Group faced.

Also key to surviving the pandemic was the incredible support of Qantas' shareholders, with \$1.4 billion raised to help fund the Group's recovery program. With that recovery well underway and net debt reduced to below our target range, the Company is able to return capital to investors. In line with the Company's financial framework, the Board has approved an on-market share buy-back of up to \$400 million.

Before COVID-19, we safely flew more than 50 million passengers each year and had a well-earned global reputation for premium service; as we recover, we're all working hard to return to those heights.

This past year has seen us navigate the depths of the COVID-19 crisis, but also the turning point that gives us all so much confidence in the future of the Qantas Group.

Richard Goyder AO