

QANTAS GROUP 2024 ANNUAL GENERAL MEETING

REMARKS FROM CEO VANESSA HUDSON

25 October 2024

It is great to be in Hobart today.

Qantas' links to Tasmania go back to before the airline even started 104 years ago.

One of our founders, Sir Hudson Fysh, was born in Launceston in 1895. He joined the Army here before serving in Gallipoli and transferring to the Royal Flying Corp.

That was the start of his aviation career.

Not long after returning to Australia following the War, he and fellow veteran Paul McGinness, set about establishing an airline with the aim of connecting Australia to the world.

That is something we remain passionate about to this very day.

Qantas has been flying here for almost 80 years, and Hobart was among the inaugural destinations when Jetstar began 20 years ago.

Today, Qantas and Jetstar operate 240 flights to and from Tasmania each week.

We have been in Hobart for a few days now and had the opportunity to visit our call centre and meet some key stakeholders, including members of the Government.

It has been great to discuss some of the tourism opportunities that exist here, as well as talk about how we will address some of the challenges we are all facing, including the sustainability of air travel.

INVESTING IN OUR CUSTOMERS

Now turning to our recent performance.

At last year's AGM, in my first address to shareholders as CEO, I said I was determined to make Qantas a company that you could be proud of.

One that delivers value for all stakeholders and gets the balance right for our customers, our people and our shareholders.

As John remarked, we have started to make some progress in the past 12 months, but there is more that can be done.

We increased our investment in the things that matter most to our customers.

We have seen that reflected in our improved operational performance across Qantas and Jetstar.

That was driven by a number of initiatives, including investment in fleet health and changes to our boarding processes.

We have improved our inflight catering and overhauled the app, putting more information and more control in the hands of customers.

We empowered our people with the right tools and policies to better support customers in the moment when things don't go to plan.

And we are continuing to tackle the areas that customers tell us are frustrating, including making flight credits more flexible.

I acknowledge we do not always get it right but the feedback from customers and what we hear when travelling suggests we have turned the corner.

INVESTING IN QANTAS LOYALTY

In April of this year, we announced one of the biggest expansions of our loyalty program in its history, with the launch of Classic Plus reward seats.

It has enabled more customers to use points to book seats in the cabin they want, when they want and where they want to travel.

Since then, we have seen hundreds of thousands of Classic Plus seats booked and over 25 billion points redeemed across Qantas International flights.

And today I can announce that from 12 December, customers will be able to redeem points on Classic Plus reward seats across our domestic network.

Once fully rolled out on the Qantas domestic network, members will have access to more than 20 million more reward seats.

INVESTING IN OUR FLEET

A key part of improving the customer experience will be delivered through our historic fleet renewal program.

By the end of the year we will receive our fifth Airbus A220, fittingly named "Tasmanian Devil".

It is one of 20 new passenger aircraft expected to arrive this financial year, along with more A321LRs for Jetstar and Qantas' first A321XLR.

Tasmania is a great case study in how these new aircraft are already benefiting customers, the wider community, and improving the economics of our business.

In 2025, around 90 per cent of seats in and out of Hobart will be on board one of our new A220s.

For customers, it means a more comfortable flight.

They also deliver 25 per cent less carbon emissions per seat, which dovetails with Tasmania's focus on sustainable tourism.

For shareholders, the 137-seat aircraft is a better fit for a market of this size, while lowering operating costs.

By 2027, we expect almost half of all flying across Jetstar and Qantas narrowbody fleets will be on next generation aircraft.

We are also investing in new Dreamliners and A350s for our international network, and the first Project Sunrise aircraft is set to arrive in mid-2026, furthering our advantage in ultra-long haul travel.

We are also investing in our existing fleet.

Ten of our A330s will undergo a cabin refurbishment from next year and be fitted with our next-generation Economy seats that will be on our Sunrise aircraft. This morning, we have released images of what customers can expect on these refurbished A330s.

INVESTING IN OUR PEOPLE

These aircraft also represent a brighter future for our people.

They offer new training and promotional opportunities, and the chance to fly on new routes to new destinations as the revamped fleet takes shape.

Last year, we welcomed 2000 new team members.

This year we expect to hire another 2000 more, as we continue to grow.

We know our people are central to rebuilding trust with our customers.

We are investing in their capability through a range of measures including:

- \$40 million investment to open new ground training facilities with state of the art equipment to train our pilots and cabin crew.
- Working with RMIT and Griffith universities on creating a Safety Academy that will offer safety education credentials designed to upskill safety professionals and develop safety leaders across all industries.
- Next year we will double the number of scholarships at our pilot academy to encourage more women and First Nations people to take up a career in aviation; and
- Providing leadership training to 6,000 of our people on the frontline, including pilots, crew and airport personnel.

Importantly, I want to thank our people for their dedication and commitment during the year. I hear stories of their can-do attitude every day. Today we have also committed to providing an additional \$1000 payment to our non-executive employees to say thank you.

Right across the business, they do a fantastic job caring for our customers, often in challenging circumstances. Their energy and innovative thinking will be essential to the ongoing work to restore our reputation.

I said last year I was committed to rebuilding relationships with our employees and their union representatives. We have made progress on this front, but we recognise rebuilding trust will take time.

I also recognise that we will not always agree and will not be able to meet some people's expectations every time.

But we are looking for solutions that deliver improvements in pay and conditions for our people, while ensuring we can continue to invest and grow for the long term.

INVESTING IN SUSTAINABLE AVIATION FUEL

We know that climate change is one of the biggest long-term challenges facing our business.

In response, we set targets a few years ago that are ambitious but achievable and have put in place actions to help us get there.

This includes utilising available sustainable aviation fuel in London and investing in projects in Australia and overseas to help increase supply.

There is currently no supply of SAF in Australia, which is why we are partnering with government and industry to support local projects and advocate for government policies including mandates.

We have always acknowledged that aviation is a hard-to-abate sector and as the national carrier we have a responsibility to help scale the technologies currently available to us.

STRONG BUSINESS FUNDAMENTALS

All of this investment comes at a time when the fundamentals of the business are strong.

Our first quarter market update, which we released today, showed that the Group continues to perform in line with expectations, with both Qantas and Jetstar seeing stable demand.

Jetstar saw stronger than anticipated demand, while Qantas Domestic load factors and demand for corporate travel continues to improve year on year.

The performance underlines the importance of the Group's dual-brand strategy, supported by Qantas Loyalty.

As anticipated, International unit revenue is expected to fall this half as market capacity continues to restore.

Our non-stop flights from Perth to Europe continue to perform strongly, giving us increased confidence about Project Sunrise.

CONCLUSION

This is a taste of the opportunities ahead for Qantas, as the investments in our customers, fleet and people start to take shape.

The resilience of the business and its strong foundations underpin these investments, which will in turn help deliver improved shareholder returns over the long term.

But we must also make sure we get the basics right along the way.

Our performance over the past 12 months shows we are tracking in the right direction.

We know that we need to consistently deliver in the moments that matter.

That matter to our customers.

To our people.

And to Australians more broadly.

It is why we are committed to continually building a stronger and more sustainable business.

One that gets the balance right for customers, employees and shareholders.

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Authorised for release by the Qantas Board of Directors.