

QANTAS 2024 AGM Report

ASX code	QAN
Meeting date	Friday, 25 October 2024
Type of meeting	Hybrid meeting webcast
Monitor	Sue Howes assisted by Julieanne Mills and Rachel Waterhouse
Pre AGM-meeting	Yes, John Mullen (Chairman), Nora Scheinkestel (Chair -Remuneration), Filip Kidon (Investor relations), Adam Luc (Investor relations) Phil Taylor (EM Remuneration and Benefits) and Catherine Walsh (Group Chief People Officer)

Meeting Statistics

Number of holdings represented by ASA	80
Number of shares represented by ASA	390,426
Value of shares represented by ASA	\$3.08m
Total number attending meeting	Physical 30, online 685
Market capitalisation	\$12.37 billion
ASA open proxies voted	ASA voted in favour of all the resolutions except the conditional spill motion

Monitor Shareholding: The individuals involved in the preparation of this voting intention have no shareholding in this company.

A strike by 400 engineers was planned for the day of the AGM. Qantas is a highly unionized workforce, The CEO will be focused on striking the right balance between profitability, equitable wages and productivity.

Q1 results are in line with expectations. The outlook was for 10% EBIT Growth in Loyalty business in FY25 but with lower earnings in the 1H relative to prior year. QAN has seen stable demand across the group. Jetstar continues to outperform. International unit revenue is expected to fall 7-10% compared to prior year driven by restoration of international demand. The geopolitical environment has the potential for fuel costs to rise with 1H costs at \$2.55bn.

QAN has completed 45% of the \$400 million FY25 buyback. The share price is back up to \$7.91 at the start of the day.

The Chair's address highlighted the significant changes since last year's AGM, indicated more board movement to come, and the commitment to full implementation of the Board Governance Review. He indicated full support for the new CEO, her style, values and commitment, and the new senior management team. The importance of rebuilding reputation, putting the past behind them, and focusing on a national airline, that all Australians can be proud of, was highlighted. He admitted that mistakes will be made, but the Board will be listening.

The Chair's comment that QAN has been "barely profitable over the last 15 years" highlights the difficulties of the airline industry.

The tone of the CEO's address couldn't have been more different from Alan Joyce. She was confident, empathetic and impressive talking to the positive changes she has made to improve customer service and the work being done to support staff. She announced the \$1,000 "Thank you" payments to the 27,000 Qantas non-executive employees. Another 2,000 employees were added in FY25 in addition to the 2,000 new employees in FY24. She also talked about the advantages of the new aircraft: lower cost, less noise, better fuel efficiency and more comfort for customers.

Questions covered the Virgin Qatar deal, Joe Aston's new book, director travel perks, China services, disability services and carbon credits. There was residual anger from last year's AGM alongside commendations for the positive changes. The Chairman spoke to shareholders after the meeting, unlike last year's AGM.

Dividends expected to resume 2H25, now that tax losses have been used and as franking credits become available. Update due February.

The ASA was not impressed by Mr Mullen's response to questions on his workload. "Black swan" events do occur, and we would like to see a board that has an appropriately unencumbered chair in place, just in case.

All resolutions were passed with protest votes of 11.6% against Mr Mullen, 12% against Mr Tyler and 14% against remuneration. Clearly there is residual anger from retail shareholders given the votes against.

Ms Scheinkestel received 98.5% for her election. She gave a detailed explanation of the remuneration changes she has implemented. The CEO was asked a question about the reduction in FY24 remuneration grants and she agreed to the appropriateness of the outcomes.

The CEO and Chair address and webcast can be found here.

<https://investor.qantas.com/investors/?page=annual-general-meeting>

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