

Qantas Covid-19 losses USD 821m

A Monitor Report

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Sydney : On August 25 Australian airline Qantas Group released its 2022 financial year results, posting a statutory loss before tax of AD 1.19 billion (USD 821 million). Its underlying loss before tax was AD 1.86 billion (USD 1.28 billion), with the difference between the two mainly from AD 686 million (USD 473 million) net gain on the sale of surplus land.

This is the third consecutive year that Qantas Group, which includes Jetstar, has posted a statutory loss before tax of more than AD 1 billion (USD 690 million).

CEO Alan Joyce said this "brings our total losses since the start of the pandemic to more than AD 7 billion (USD 4.83b) and takes lost revenue to more than AD 25 billion (USD 17.25b).

These results cover the period July 2021 to June 2022, and in that twelve months, the Group's flying levels averaged 33 per cent of pre-pandemic levels, although they finished the year at 68 per cent.

Qantas said the reopening of borders provided a huge increase in the forward travel demand, which, combined with the Group's recovery plan, has greatly improved the balance sheet. Net debt fell from a high of more than AD 6.4 billion (USD 4.4b) to AD 3.9 billion (USD 2.7b) at the end of the financial year 2022.

Since Australia's borders reopened in November, Qantas has added new international routes like Perth-Rome, Sydney-Seoul and Melbourne-Delhi. Joyce announced that Qantas would start flying its Boeing B787 Dreamliners from

Auckland (AKL) to New York (JFK) beginning in June 2023. It will be timed to connect with Qantas' flights between Australia and New Zealand and will compete with Air New Zealand's new service on the same route.

In a sign of improvement, Qantas has reduced its mishandled baggage rate from 11 in every thousand in July to six in one thousand currently, close to pre-covid levels. On-time performance has climbed back from its low of 52 per cent to 66 per cent but is still well short of the 80 per cent pre-pandemic. Qantas Loyalty was the only business segment to turn a profit, helped by adding more than one million new members over the Covid-19 period.