

Overview of

# Auckland Airport

Craigs Investment Partners Queenstown Investor Day



# Important notice

Craigs Investment Partners Queenstown Investor Day

## Disclaimer

This presentation is given on behalf of Auckland International Airport Limited (NZX: AIA; ASX: AIA; ADR: AUKNY). Information in this presentation:

- is provided for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in Auckland International Airport Limited (Auckland Airport);
- should be read in conjunction with, and is subject to, Auckland Airport's unaudited Interim Financial Statements for the six months ended 31 December 2023, prior annual and interim reports, and Auckland Airport's market releases on the NZX and ASX;
- may include forward-looking statements about Auckland Airport and the environment in which it operates which are subject to uncertainties and contingencies outside of Auckland Airport's control. Auckland Airport's actual results or performance may differ materially from these statements;
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and
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All currency amounts are expressed in New Zealand dollars unless otherwise stated and figures, including percentage movements, are subject to rounding.

## Non-GAAP measures

This presentation contains references to non-GAAP measures including EBITDAFI, EBITDA and underlying profit or loss. A reconciliation between reported profit after tax and the non-GAAP measure of underlying profit or loss is included in the published materials for in respective interim and annual results.

The directors and management of Auckland Airport understand the importance of reported profits meeting accounting standards. Because we comply with accounting standards, investors know that comparisons can be made with confidence between different companies and that there is integrity in our reporting approach. However, we believe that an underlying profit or loss measurement can also assist investors to understand what is happening in a business such as Auckland Airport, where revaluation changes can distort financial results or where one-off transactions, both positive and negative, can make it difficult to compare profits between years.

For several years, Auckland Airport has referred to underlying profit or loss alongside reported results. We do so when we report our results, but also when we give our market guidance (where we exclude fair value changes and other one-off items) or when we consider dividends and our policy to pay 100% of underlying profit after tax (excluding unrealised gains and losses arising from revaluation of property or treasury instruments and other one-off items).

In referring to underlying profits or losses, we acknowledge our obligation to show investors how we have derived this result.

# Auckland Airport is the gateway to New Zealand...

We own and operate Auckland Airport

1<sup>st</sup>

New Zealand's largest airport serving the country's largest city

23 destinations

domestically served by four airlines in 1H24

9.6 million

domestic passenger movements in FY19 and a 89% recovery in 1H24

64%

of domestic seat capacity originated or departed from Auckland Airport in 1H24

24/7

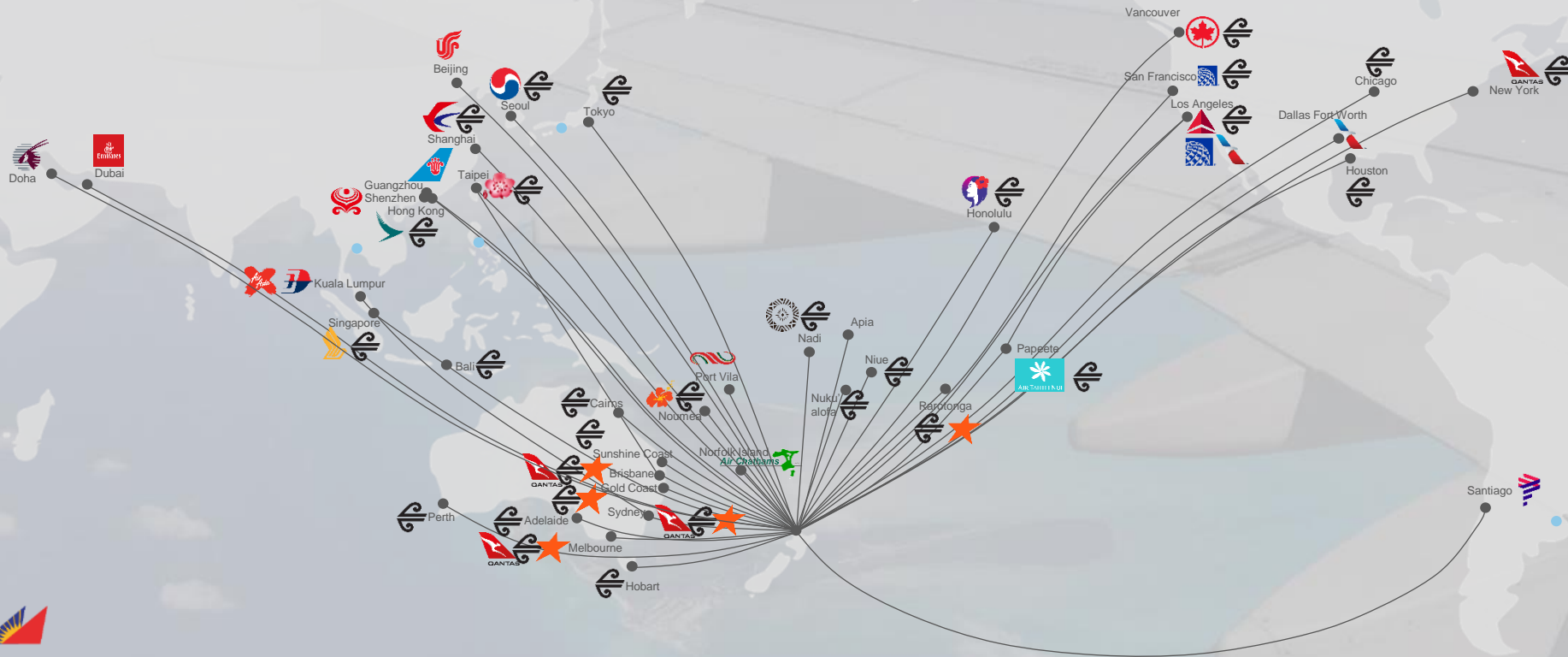
no flight curfew, operating 24 hours a day, 7 days a week

3,635 metre

single runway airport capable of handling all commercial aircraft types



# ...and connects New Zealand to the world



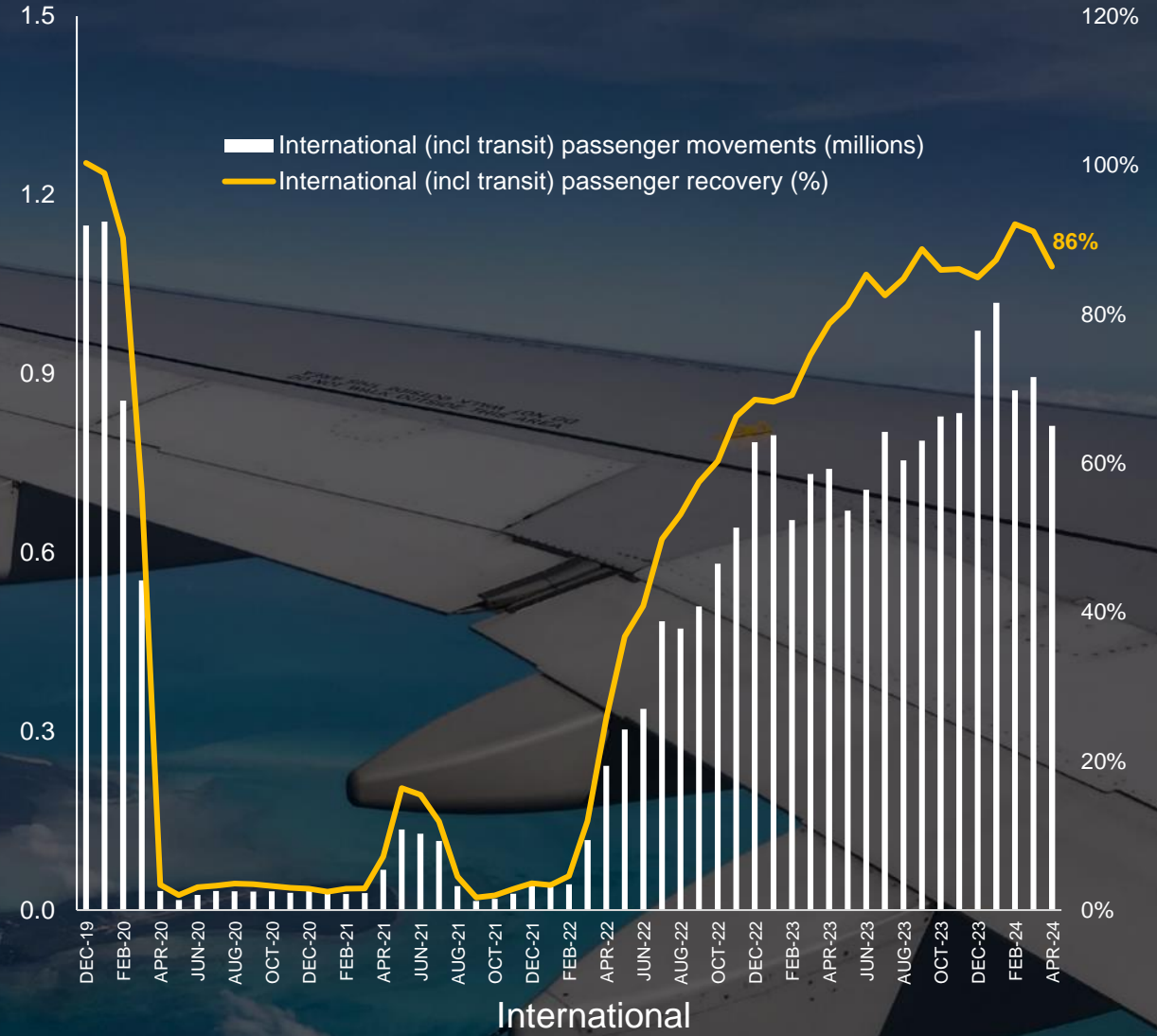
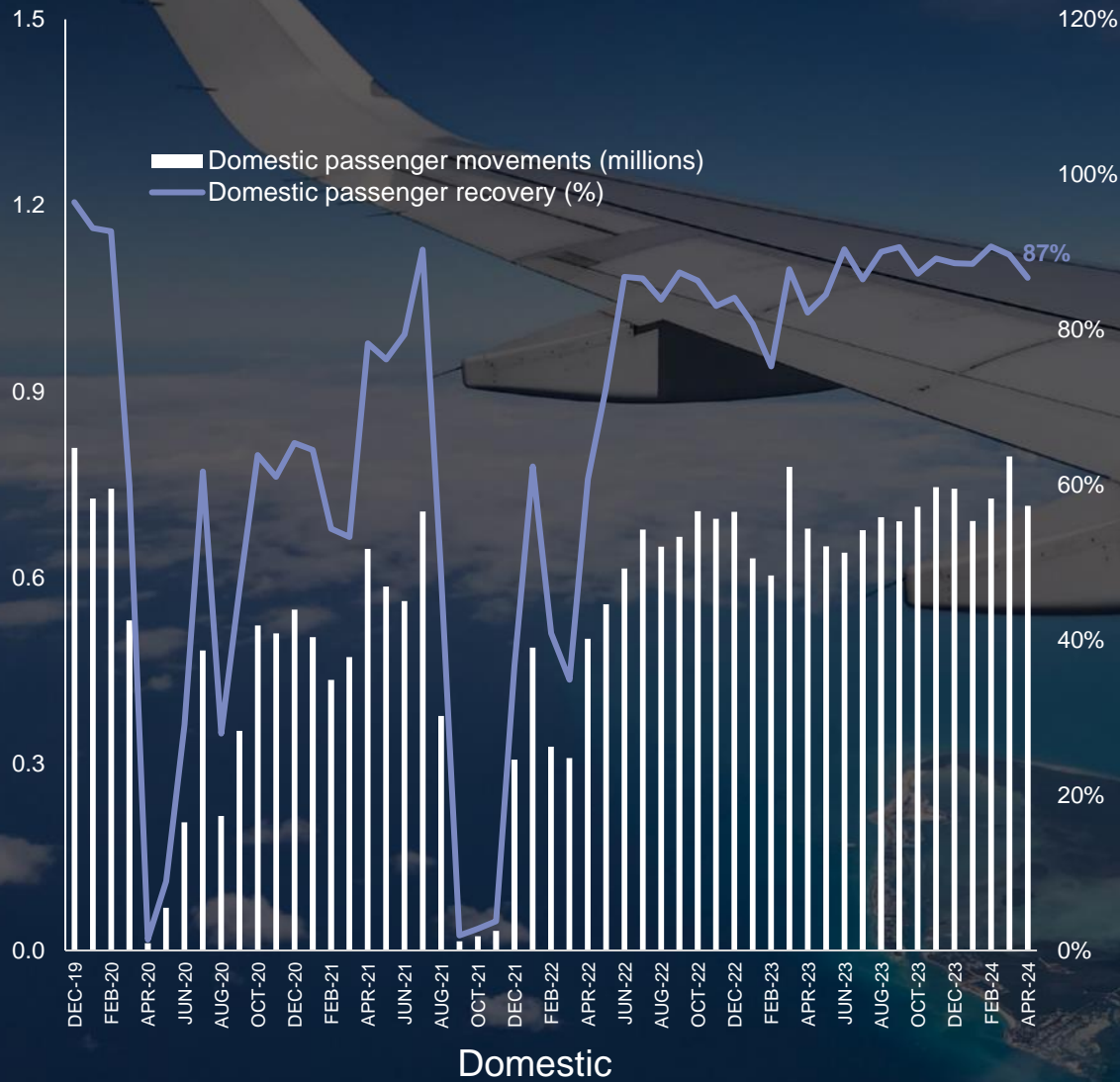
Suspended routes

Suspended airlines



Note: As at 31 December 2023

# Passenger numbers are returning





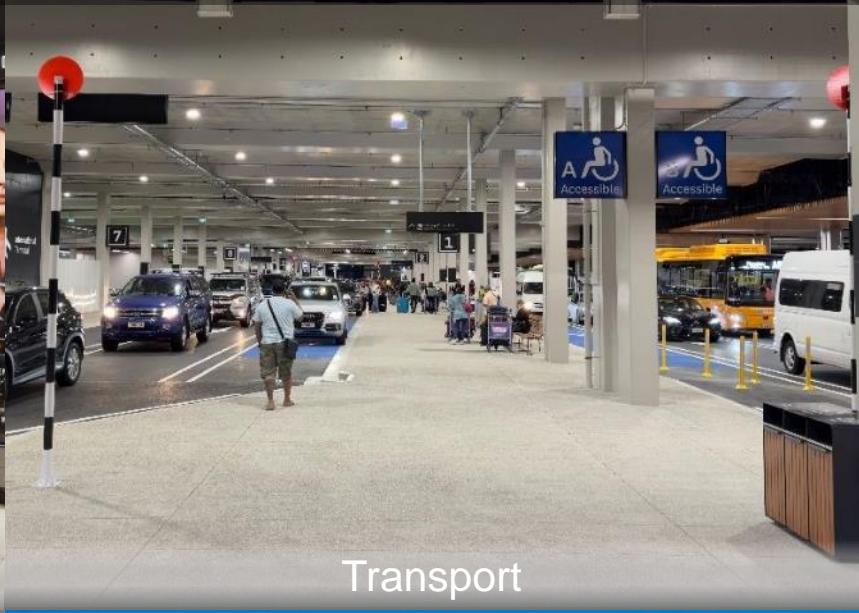
# Diverse and complementary activities



Aeronautical



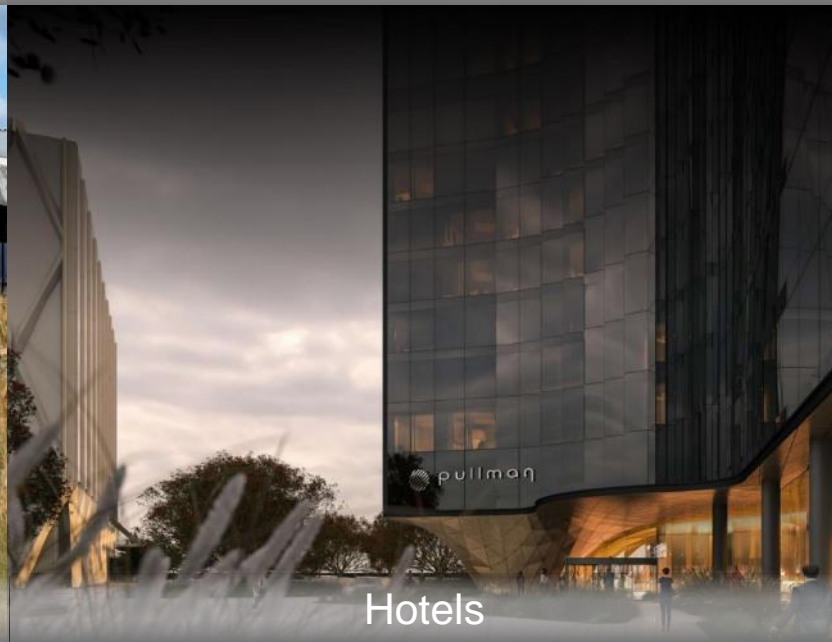
Retail



Transport



Commercial property



Hotels



Queenstown Airport



1,500ha land holding enables a precinct wide vision





# Quality retail offering





# Extensive transport business





# 782 room hotel portfolio





# High quality commercial property portfolio





# Our strategy: Building A Better Future



**A** | Auckland Airport

- 1 Thriving Enterprise
- 2 Empowered Community
- 3 Seamless Connectivity
- 4 Enduring Infrastructure
- 5 Future Resilience



# Investing in building the gateway New Zealand needs





# A new integrated domestic terminal





# Artist impression of the new domestic terminal (cont'd)





# Artist impression of the new domestic terminal (cont'd)





# Northern airfield expansion and remote stands





# Transport Hub transforms customer access to the terminal precinct

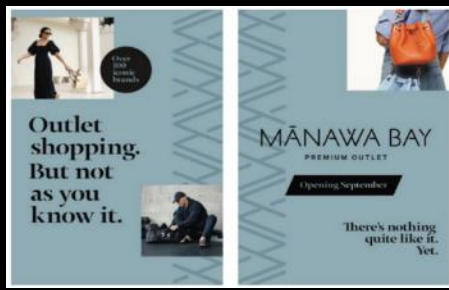
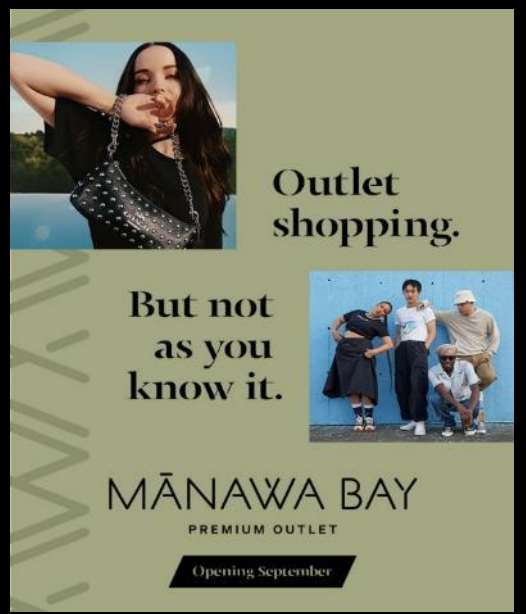




# Premium outlet centre opening September 2024



MĀNAWA BAY  
PREMIUM OUTLETS



24,000m<sup>2</sup>+ Leasable Retail Area

100+ Retail Stores, 14 F&B

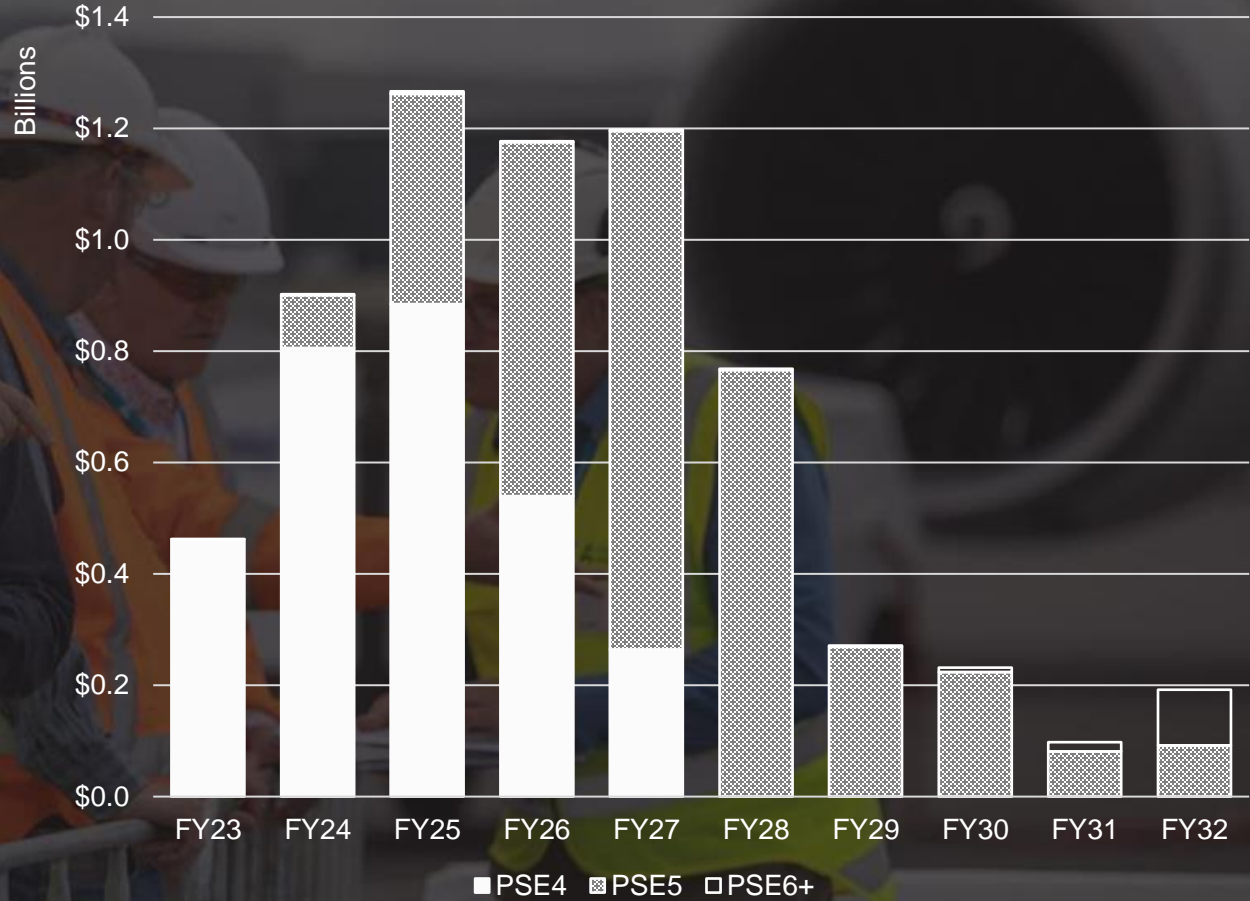


# Total regulated capital investment of \$6.7bn over 10 years

The investment in regulated activities will transform the aviation system at Auckland Airport.

Customer journeys will be easier and faster, with airlines benefitting from capacity growth, efficiency improvements, sustainability outcomes and more resilient infrastructure

Forecast regulated investment cash-flow – by commissioning period (\$ billion)





# Sustainability is core to what we do





# Economic regulation

Auckland Airport is subject to a form of regulation called 'information disclosure'. This requires it to disclose certain specified information relevant to performance (such as profitability, expenditure and quality performance measures), including forward-looking information (such as price setting information and demand forecasts).

Information disclosure ensures that sufficient information is readily available to interested persons to assess whether Auckland Airport:

- invests and innovates;
- improves efficiency and provides services at a quality that reflects consumer demands;
- shares the benefits of efficiency gains with consumers; and
- is limited in its ability to extract excessive profits.

Auckland Airport sets prices following consultation with substantial customers, like airlines, on charges and any major capital expenditure plans.

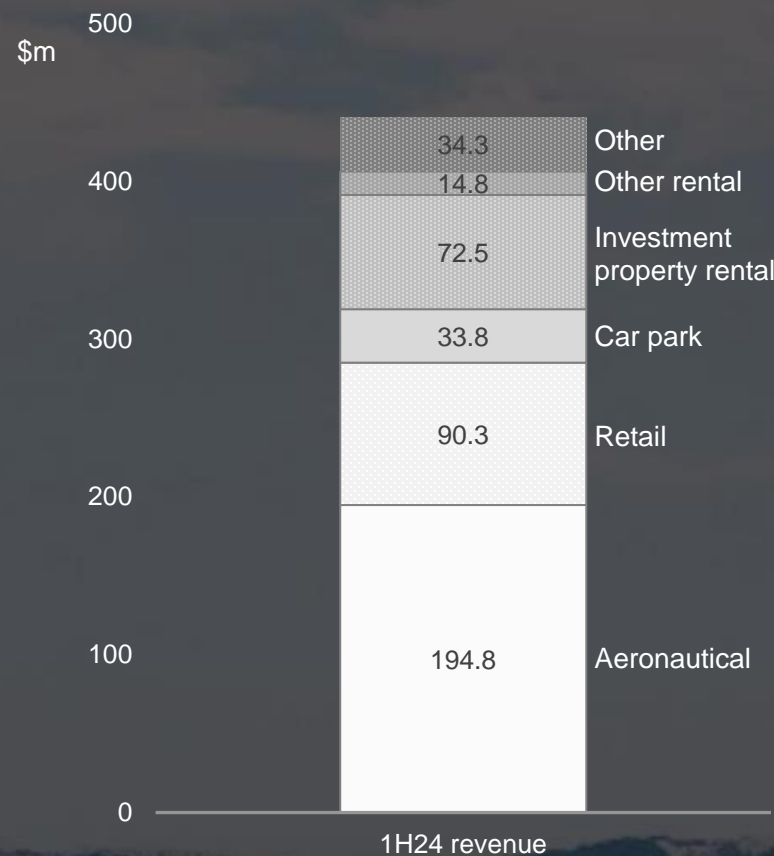
The Commerce Commission reviews Auckland Airport's pricing decisions to promote greater understanding of its performance.





# Financials at a glance

## 1H24 revenue



## 1H24 financial results

Total revenue  
**\$440.5m** ↑53%

EBITDAFI<sup>1</sup>  
**\$310.2m** ↑64%

Reported profit after tax  
**\$118.7m** ↑2,373%

Underlying profit after tax<sup>1</sup>  
**\$145.7m** ↑115%

## Credit metrics and capex (as at 31 Dec 2023 unless stated)

Gearing<sup>2</sup>  
**21.1%**

Interest coverage<sup>3</sup>  
**8.22x**

FFO to net debt  
**18.1%**

Capital expenditure in the six months to 31 Dec 2023  
**\$602.8m**

1. Auckland Airport recognises that EBITDAFI and underlying profit or loss are non-GAAP measures. A reconciliation between reported profit after tax and underlying profit after tax is included in the results presentation accompanying the 2024 interim results

2. Gearing is defined as nominal value of debt plus derivative liabilities divided by nominal value of debt plus derivative liabilities plus the book value of equity

3. Interest coverage is defined as reported NPAT plus taxation, interest expense, depreciation, revaluations and derivative changes (broadly EBITDA) divided by interest



# Auckland Airport at a glance

## We own and operate New Zealand's largest airport

17.5<sub>m</sub>

Passenger movements in the 12 months to 31 Dec 2023

95%

of visitors to New Zealand on long-haul routes first arrive at Auckland Airport in the 6 months to 31 Dec 2023

76%

of all visitors to New Zealand first arrive at Auckland Airport

90%

of NZ's airfreight \$28b value in the 12 months to 31 Dec 2023

## We have a diverse business of scale

47:53

Mix of activities between aeronautical and non-aeronautical in the 6 months to 31 Dec 2023

100

in-terminal retail tenancies as at 31 Dec 2023

142

commercial property tenancies as at 31 Dec 2023

\$3.0<sub>b</sub>

investment property portfolio as at 31 Dec 2023

## Strong financial metrics

\$11.6<sub>b</sub>

market capitalisation as at 30 Apr 2024 on the NZX with a dual listing on the ASX

49<sub>k</sub>

Shareholders as at 31 Dec 2023

\$11.3<sub>b</sub>

total assets at 31 Dec 2023

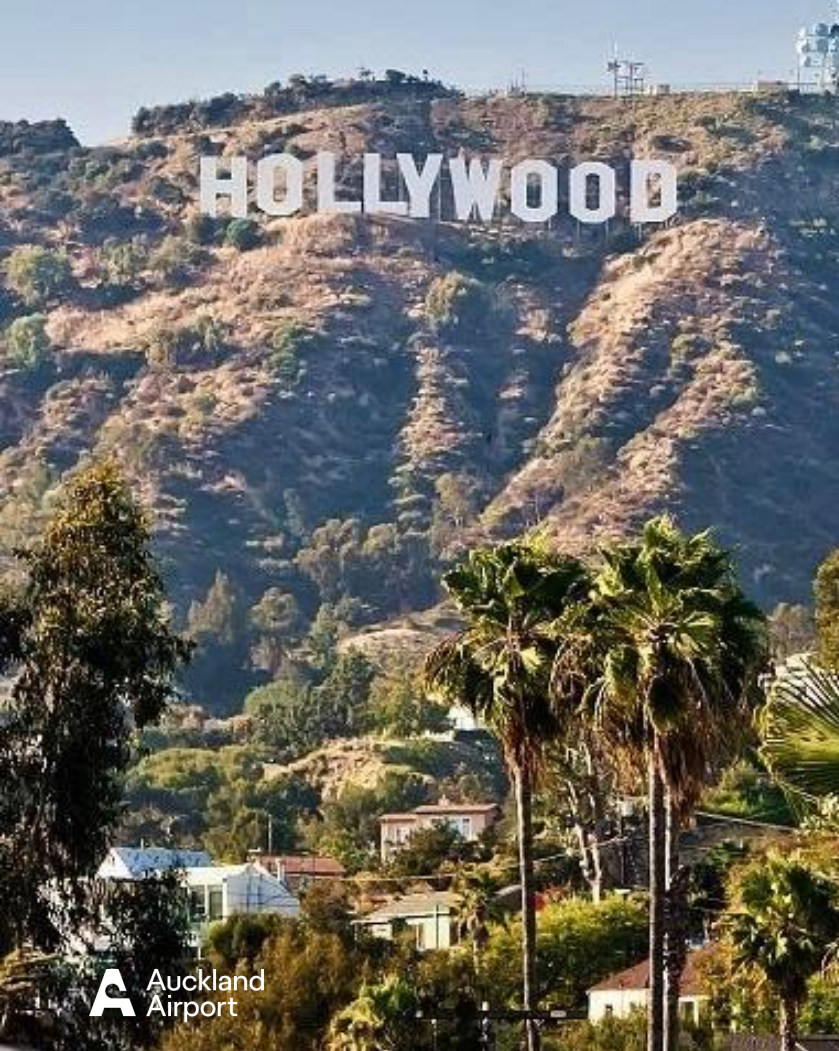
A-

credit rating with S&P



# We are building a better future

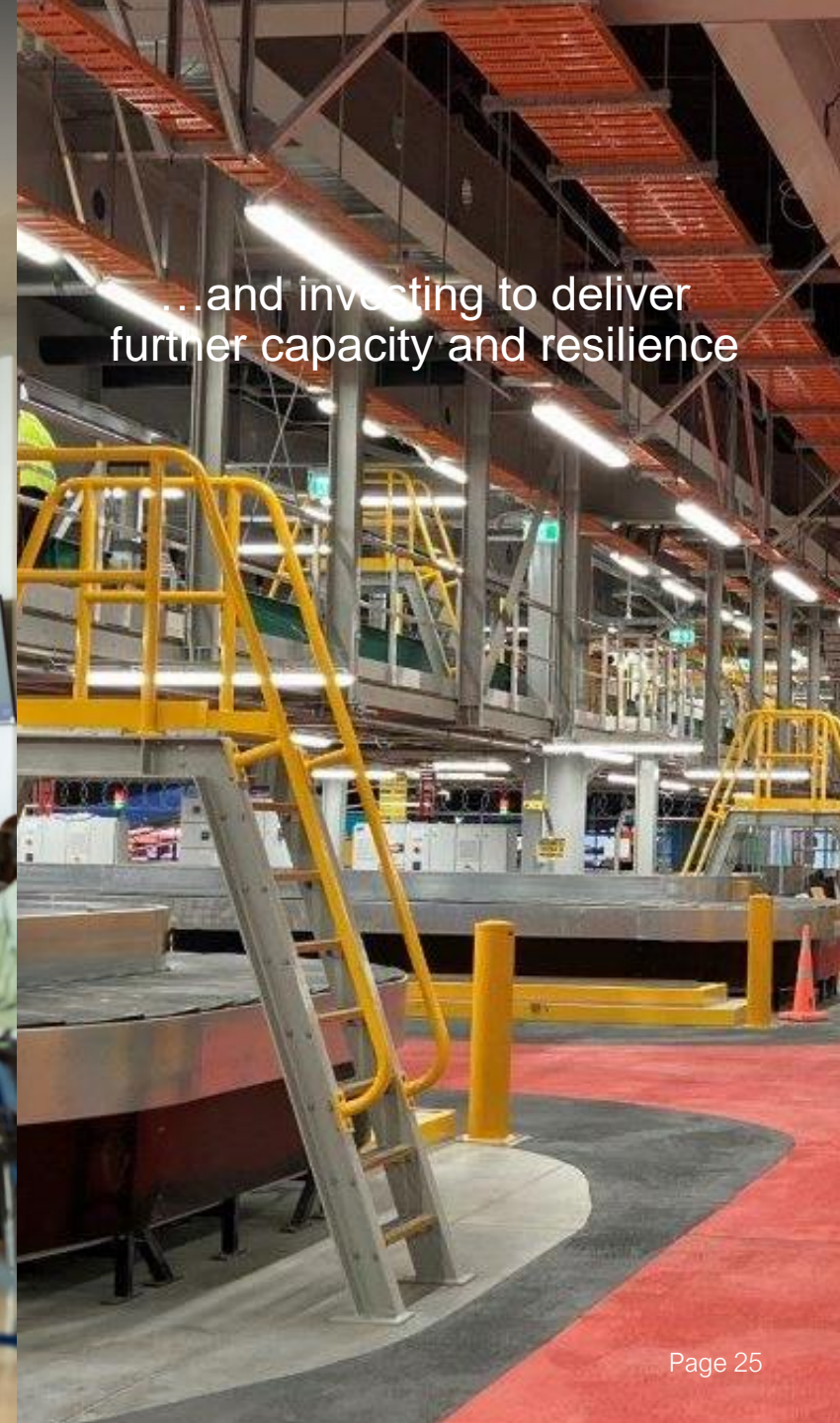
New flights driving additional choice for travellers...



...focused on improving the operating efficiencies...



...and investing to deliver further capacity and resilience





Thank you

