

2023

# ANNUAL SHAREHOLDER MEETING

26 September 2023

A STAR ALLIANCE MEMBER 

NZX: **AIR** | ASX: **AIZ** | US OTC: **ANZFY**



# OUR BOARD OF DIRECTORS



**Dame Therese Walsh**



**Claudia Batten**



**Dean Bracewell**



**Laurissa Cooney**



**Larry De Shon**



**Alison Gerry**



**Paul Goulter**




**Jonathan Mason**



# ONLINE ASSISTANCE







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# ORDER OF MEETING

- Chair's address
- CEO's address
- Questions on 2023 performance
- Resolutions and voting
- General Q&A session



# CHAIR'S ADDRESS



**Dame Therese Walsh**

**CHAIR**





# A STRONG 2023 RESULT

DELIVERED IN THE CONTEXT OF AN EXTRAORDINARY OPERATING ENVIRONMENT



Operating revenue of

**\$6.3**  
billion

Earnings before taxation of

**\$574**  
million

Fully imputed special dividend of

**6.0**  
cents per share



# KEY HIGHLIGHTS OF OUR RECOVERY YEAR



WITH MUCH TO BE PROUD OF BEYOND THE STRONG FINANCIAL RESULT

## 3k people

Welcomed to the Air New Zealand whānau

## #1

Employer of the year<sup>2</sup>

## Skynest

Top Cabin Concept winner<sup>3</sup>

## 16

Collective agreements settled with the unions

## 3 new A321's

Welcomed to the Domestic network

## \$200m

Returned to shareholders

## #1

Corporate reputation for ninth consecutive year<sup>1</sup>

## Lifted wages

Of our frontline staff

## Launched

Mission Next Gen Aircraft

<sup>1</sup> Kantar Corporate Reputation Index 2023

<sup>2</sup> Ranstad 2023

<sup>3</sup> Top Cabin Concept 2023 at the Crystal Cabin Awards

# DECARBONISATION REMAINS OUR BIGGEST CHALLENGE



BUT WE ARE LEANING INTO THIS AND HAVE SET AMBITIOUS TARGETS

## Levers we control



**Operational  
efficiency**



**Continued  
fleet renewal**

## Levers that rely on collaboration with industry and policy makers



**SAF**



**Next  
generation  
aircraft**



**Carbon  
removal  
solutions**





# REVISED CAPITAL MANAGEMENT FRAMEWORK

EFFECTIVE FROM FY24, WITH PRUDENT MANAGEMENT BACK TOWARD TARGET RANGES

## Maintain financial resilience and flexibility

- Target liquidity range of \$1.2 billion to \$1.5 billion
- Net Debt to EBITDA ratio of 1.5x to 2.5x

*Underpinned by our commitment to maintain investment grade credit rating metrics*

## Invest in core operations

- Fleet and infrastructure investments above WACC through the cycle
- Investment to support the airline's decarbonisation ambitions

## Distributions

- Ordinary dividend pay-out ratio of 40% to 70% of underlying net profit after tax (NPAT)
- Return excess capital via special dividends or share buybacks

## Growth capex

- Disciplined investment in value accretive capex
- Target ROIC above pre-tax WACC

# UPDATED COMMENTARY ON FY24 OUTLOOK



- The airline notes that the 2023 financial year was particularly unique with significant customer demand, constrained market capacity and lower fuel prices in the second half, and as such, we believe the 2024 financial year will be more reflective of future financial performance.
- Looking ahead to the first half of the 2024 financial year, customer demand remains solid across most of our markets, noting that in recent weeks we have seen softening in corporate and domestic demand. We are mindful of the uncertain economic environment however and acknowledge there are a number of factors that may impact future customer demand and profitability. These factors include increased international competition, volatile fuel prices, a weaker New Zealand dollar, ongoing wage inflation and increased airport charges.
- Since the annual result reported on 24 August, the airline also notes a further adverse impact on its cost base from fuel prices and the weaker New Zealand dollar. These factors, alongside passenger demand and the previously disclosed Pratt & Whitney global engine issues will continue to be closely monitored.
- Given the ongoing uncertainty and volatility of these macroeconomic factors, the airline will not be providing guidance at this time.



# CEO'S ADDRESS



**Greg Foran**

**CEO**

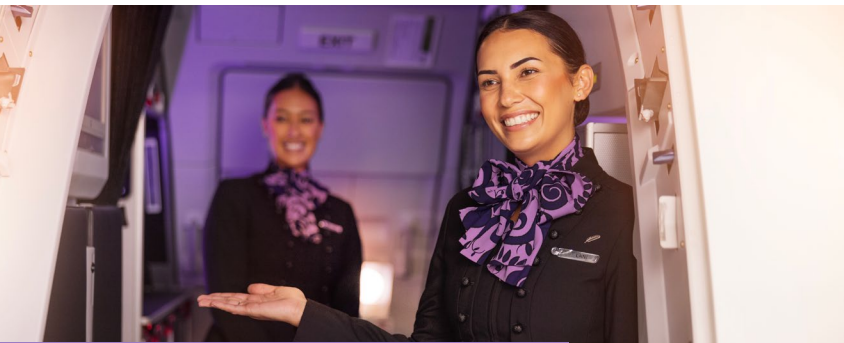






# DRIVING VALUE FOR ALL STAKEHOLDERS

BALANCING VARIOUS INTERESTS OVER TIME TO ACHIEVE OUR FULL POTENTIAL



Our People



Our Customers



Our Suppliers



Our Shareholders



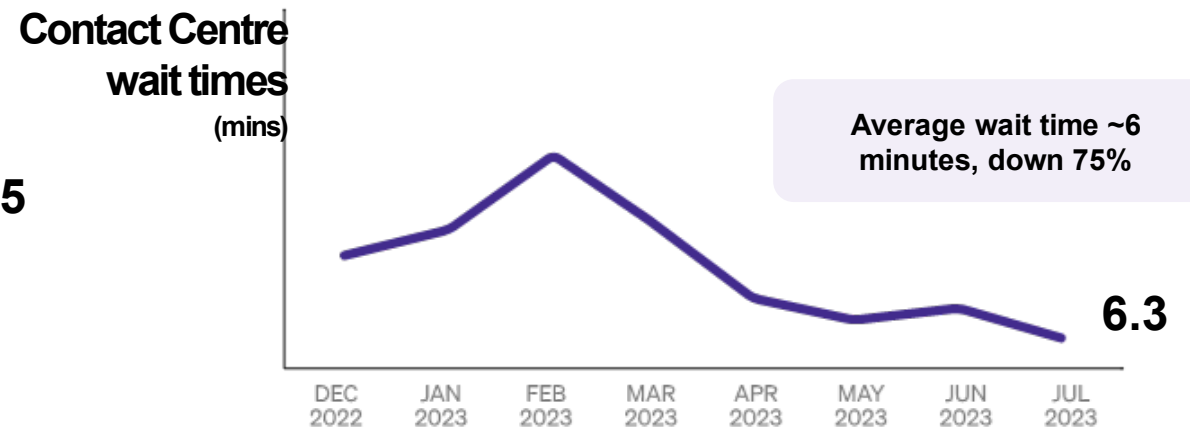
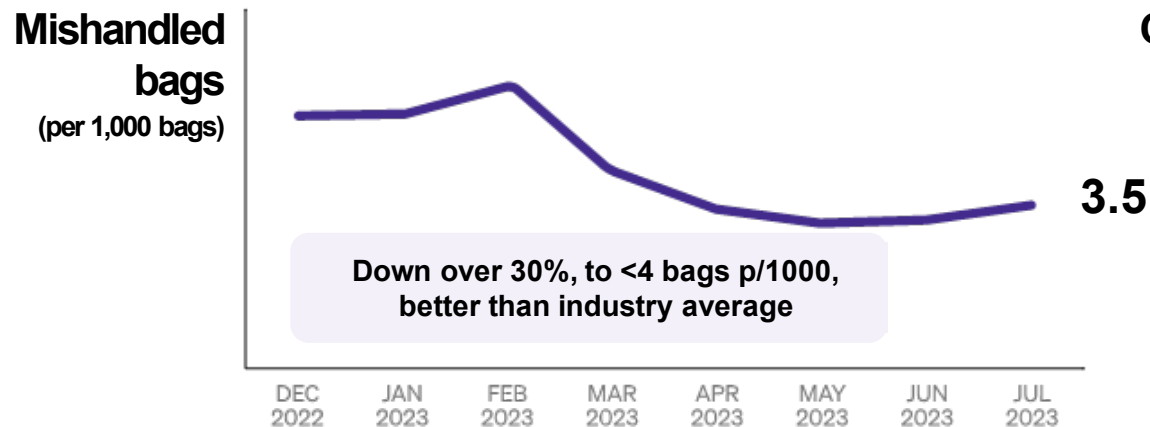
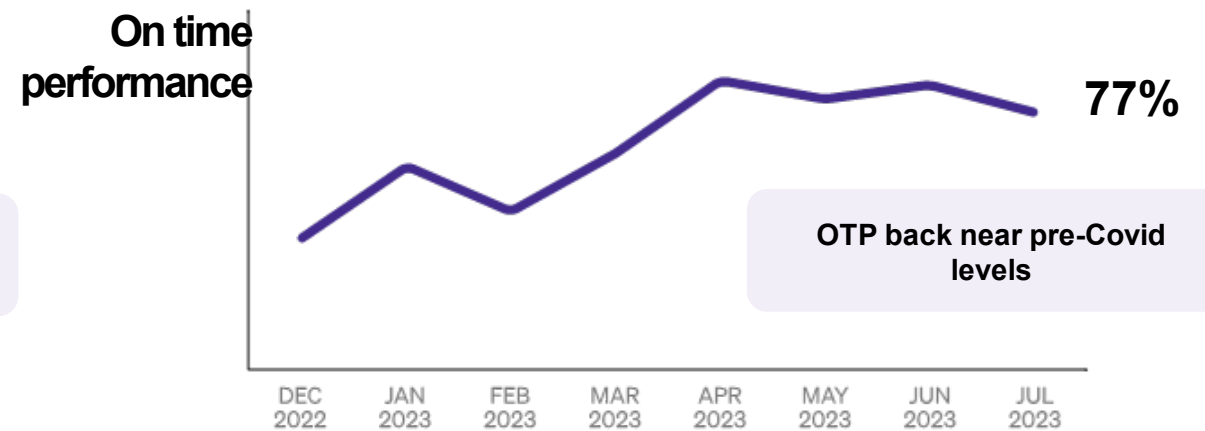
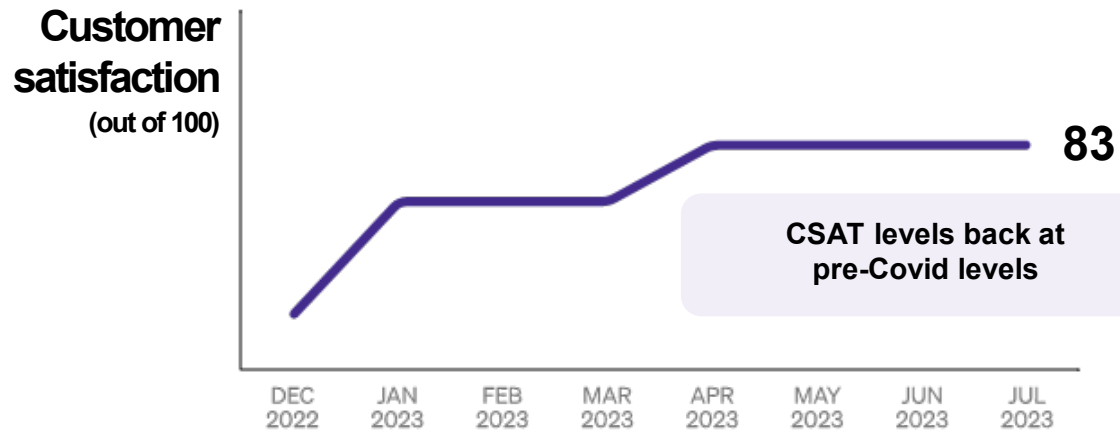
Our Communities



# EASING CUSTOMER PAIN POINTS HAS BEEN A KEY PRIORITY



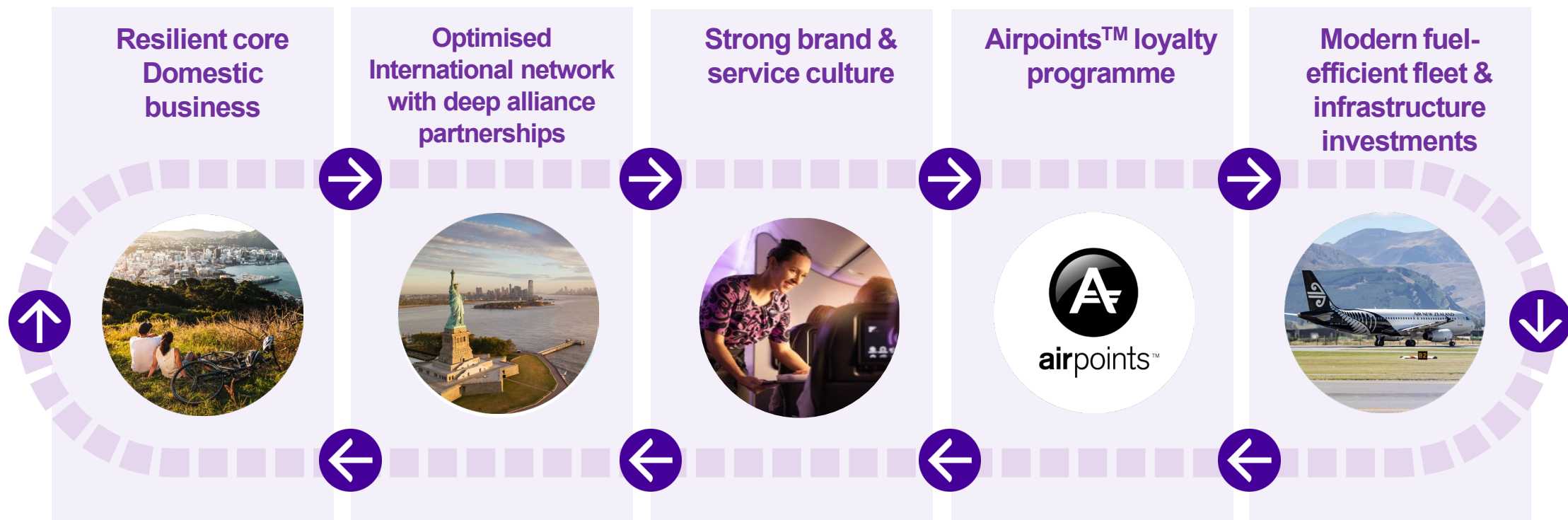
AND WE HAVE TAKEN MULTIPLE ACTIONS TO ADDRESS THESE CHALLENGES



# SUSTAINING PERFORMANCE IN THE FACE OF HEADWINDS



OUR COMPETITIVE ADVANTAGES POSITION US WELL TO FACE VARIOUS CHALLENGES





# OUR STRATEGIC ROADMAP CONTINUES TO GUIDE US



## Profit drivers



### Grow domestic

Profitably grow and enhance our iconic domestic offering, providing New Zealanders with even more choice as the best-connected country in the world



### Optimise international

Connecting New Zealanders and our exports to the world through an optimal international network and premium leisure product



### Lift loyalty

Increase products and benefits members value from our Airpoints™ programme, supercharging the loyalty ecosystem for the airline

## Enabled by strong culture and focused investment

### Brilliant Basics

Operational excellence that provides a seamless travel experience for our customers – do it right, first time, every time

### Serious about Sustainability

Committed to meaningful action to reduce our carbon impact

### Digital Dexterity

Technology focused on delivering a world-class experience for our people and customers while driving efficiencies

### Prioritising People & Safety

Putting people, health and safety first





# QUESTIONS ON FY23 PERFORMANCE







# RESOLUTIONS FOR VOTING

- Resolution 1: To re-elect Dean Bracewell
- Resolution 2: To re-elect Laurissa Cooney
- Resolution 3: To re-elect Larry De Shon

# RESOLUTION 1

TO RE-ELECT

**Dean Bracewell**

**DIRECTOR**





# RESOLUTION 2

TO RE-ELECT

**Laurissa Cooney**

**DIRECTOR**





# RESOLUTION 3

TO RE-ELECT

**Larry De Shon**

**DIRECTOR**





# GENERAL QUESTIONS







*Thank you*

A STAR ALLIANCE MEMBER 

*AIR NEW ZEALAND* 

A STAR ALLIANCE MEMBER 