



Annual Results Presentation

24 August 2023

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Important notice

Annual results

Disclaimer

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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.

Refer to page 38 for a glossary of the key terms used in this presentation.

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 Appendix.

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 70% to 90% 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.

Highlights



FY23 highlights

2023

Annual Results

Highlights

Financial performance

Building a better future

Outlook

A year of transformative change at Auckland Airport

Passenger movements



15.9m

up 183% on the prior year

Domestic PAX up 90%
International PAX up 480%
Transit PAX up 580%

Aircraft movements 144,000,
up 68%

25 airlines connecting AKL to
40 international destinations

Revenue



\$625.9m

up 108% on the prior year

Improved financial performance across all passenger driven lines of business combined with continued growth in commercial property

EBITDAFI¹ of \$397.1m, up 175% on the prior year

Net profit after tax up to \$43.2m with an underlying profit¹ returning to profitability at \$148.1m

Capital investment



\$647.1m

up 156% on the prior year²

Record year of capital investment right across the airport precinct with \$378m on aeronautical projects and \$269m on commercial activities

Major project milestones achieved

Price setting event 4



\$5.0bn

of investment

Concluded consultation on aeronautical pricing for PSE4 with new charges taking effect from 1 July 2023

Circa \$5 billion of aeronautical capital investment planned over PSE4 (\$3.1 billion commissioned)

8.73% PSE4 Target Return

Aeronautical price freeze in the year to June 2023

Payment of a dividend



4.0cps

First dividend to shareholders since 2019

FY23 distribution of 4.0cps represents a payout of 73% of underlying profit in the second half of the 2023 financial year

Dividend reinvestment plan reinstated for participating shareholders offering a discount of 2.5%

1. Auckland Airport recognises EBITDAFI and underlying profit or loss are non-GAAP measures. A reconciliation between reported profit after tax and underlying loss after tax is included in the appendix

2. Net capital expenditure additions after \$3.8 million of capital expenditure impairments

Financial results at a glance

2023

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Revenue

\$625.9m

▲ 108%

84% of FY19

Aeronautical revenue

\$219.5m

▲ 132%

Retail revenue

\$130.9m

▲ 477%

Reported profit after tax

\$43.2m

▼ 77%

2023 earnings per share of 2.93cps

Final dividend

4.0cps

EBITDAFI³

\$397.1m

▲ 175%

EBITDAFI margin of 62.9%

Parking revenue

\$57.7m

▲ 120%

Commercial property

\$142.9m

▲ 27%

\$2.9bn portfolio valuation

Underlying profit after tax³

\$148.1m

▲ 1,377%

54% of FY19

Underlying profit per share of 10.06cps

Capital investment⁴

\$647.1m

▲ 156%

3. Auckland Airport recognises 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 appendix

4. Net capital expenditure additions after \$3.8 million of capital expenditure write offs and impairments

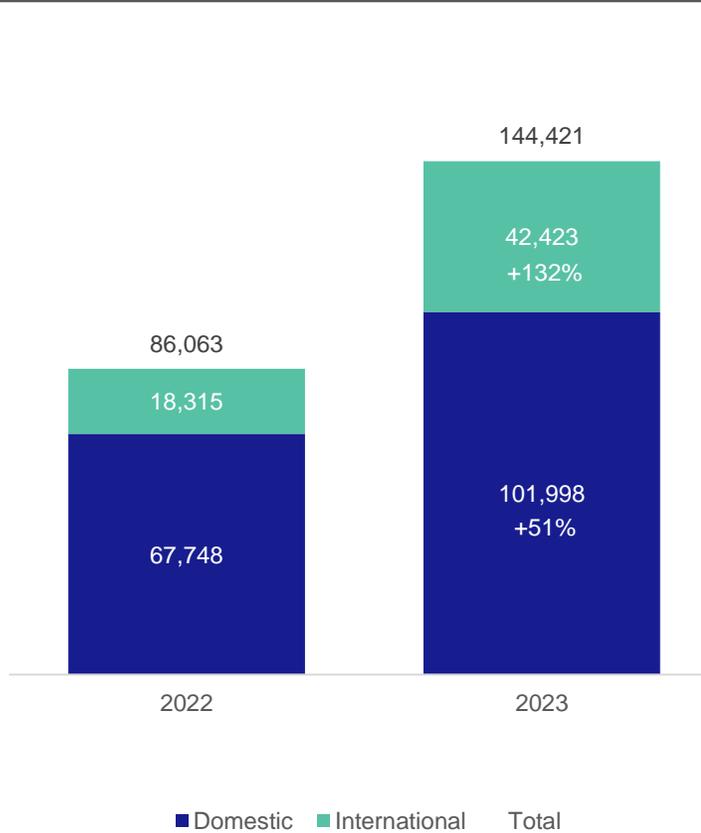
Strong recovery in passenger numbers...

International passengers continued to recover strongly throughout the year with the greater number of international carriers serving Auckland improving connectivity and choice for travellers

Monthly passenger numbers as a % of FY19



Aircraft movements



Eight international airlines added in the year



...coupled with strong recovery in commercial performance

The recovery in passenger movements during the year has driven improved performance across the commercial elements of the business



Retail

Retail income per PAX⁵ in June 2023 up 57% on the same month in 2022



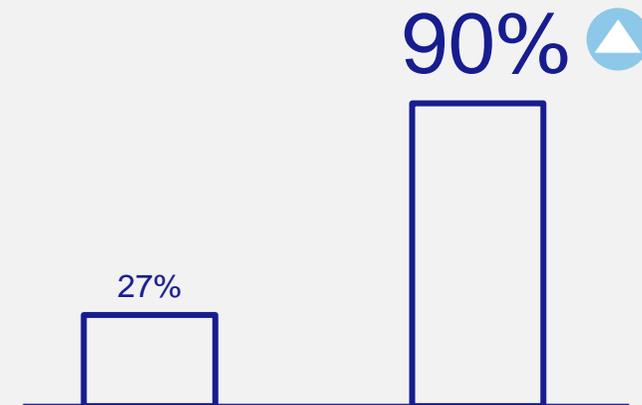
Car parking

Car parking average revenue per space in June 2023 up 52% on the same month in 2022



Hotels

Hotel occupancy in June 2023 up 63 percentage points on the same month in 2022



5. Income per PAX calculated as total retail income divided by total PAX, excluding half of the transit PAX movements

We are 'building a better future'

2023 Annual Results

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Supported the recovery in travel through increased connectivity



New international services

Reopened our commercial businesses to cater for increased passenger demand



Reopening of Bistro Box in the international terminal

Focused on improving operating efficiency and effectiveness to enhance the passenger experience



Trialling dedicated lanes to deliver improved efficiency

Continued our disciplined approach to investment in infrastructure



Enabling works for the integrated terminal

Financial performance



Total passenger movements well up on FY22

For the year ended 30 June	2023	2022	Change	Pre-COVID 2019 ⁶	% of pre-COVID 2019
International arrivals	3,635,079	596,104	510%	5,284,325	69%
International departures	3,539,392	656,657	439%	5,222,335	68%
International passengers excluding transits	7,174,471	1,252,761	473%	10,506,660	68%
Transit passengers	599,084	88,114	580%	1,011,328	59%
Total international passengers	7,773,555	1,340,875	480%	11,517,988	67%
Domestic passengers	8,087,709	4,261,271	90%	9,593,625	84%
Total passengers	15,861,264	5,602,146	183%	21,111,613	75%

- Total PAX volumes increased 183% on prior year reflecting the strong recovery in international travel and a full year of domestic travel without any travel restrictions
- International PAX recovered to 67% of the pre-COVID equivalent in FY23, peaking at 86% in June 2023
- With a full year of no travel restrictions, domestic PAX volumes increased 90% on 2022
- Against pre-COVID levels, domestic volumes plateaued at 84% owing to continued airline capacity constraints
- Airline capacity is still not back at pre-pandemic levels, with both international and domestic air fares well above pre-COVID prices

6. Comparative information for the year to June 2019 has been included to compare the 2023 performance against the last financial year that immediately preceded the COVID-19 pandemic

Aircraft movements and MCTOW

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For the year ended 30 June	2023	2022	Change	Pre-COVID 2019 ⁷	% of pre-COVID 2019
Aircraft movements					
International aircraft movements	42,423	18,315	132%	57,084	74%
Domestic aircraft movements	101,998	67,748	51%	121,703	84%
Total aircraft movements	144,421	86,063	68%	178,787	81%
MCTOW (tonnes)					
International MCTOW	4,043,717	2,115,128	91%	5,894,113	69%
Domestic MCTOW	2,028,201	1,343,150	51%	2,372,412	85%
Total MCTOW	6,071,918	3,458,278	76%	8,266,525	73%

- International aircraft movements and MCTOW increased by 132% and 91% respectively following a strong recovery of the international airline network connecting into Auckland
- Domestic aircraft movements and MCTOW both increased by 51% reflecting no domestic travel restrictions this financial year
- International and domestic seat capacity recovered to 68% and 83% respectively of the pre-COVID equivalents

7. Comparative information for the year to June 2019 has been included to compare the 2023 performance against the last financial year that immediately preceded the COVID-19 pandemic

Return to underlying profit

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For the year ended 30 June (\$m)	2023	2022	Change
Revenue	625.9	300.3	108%
Expenses	228.8	155.8	47%
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)⁸	397.1	144.5	175%
Share of profit / (loss) from associate and joint ventures	11.1	(12.8)	187%
Derivative fair value change	(0.7)	1.7	(141)%
Property, plant and equipment fair value change	(15.6)	(1.4)	(1,014)%
Investment property fair value change	(139.7)	204.4	(168)%
Depreciation expense	145.3	113.1	28%
Interest expense and other finance costs	62.7	53.7	17%
Taxation expense / (benefit)	1.0	(22.0)	105%
Reported profit after tax	43.2	191.6	(77)%
Underlying profit / (loss) after tax⁸	148.1	(11.6)	1,377%

- Revenue up significantly in the year reflecting strong passenger-related and investment property growth
- Operating costs increased 47% reflecting the scaling up of the business including staff numbers to support the recovery in travel plus very strong inflation pressures, particularly rates and insurance
- EBITDAFI margin improved from 48% to 63%
- Strong performance was also seen in Queenstown Airport with a \$5.6 million share of underlying profit (FY22: \$0.3 million) driven by a recovery from international services in the year
- Depreciation expense increased 28% in the year to \$145.3 million, reflecting the increase in the book value of depreciable assets following last year's PP&E buildings revaluations plus new assets commissioned
- Net interest expense rose to \$62.7 million in the year reflecting increased borrowings and higher interest rates
- Underlying earnings returned to profit for the first time since FY20 when COVID-19 had just begun to bite

8. Auckland Airport recognises EBITDAFI and underlying profit or loss are non-GAAP measures. A reconciliation between reported profit after tax and underlying profit/(loss) after tax is included in the appendix

Return of passengers driving revenue uplift across the business

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For the year ended 30 June (\$m)	2023	2022	Change
Airfield income	86.6	60.9	42%
Passenger services charge	132.9	33.8	293%
Retail income	130.9	22.7	477%
Car park income	57.7	26.2	120%
Investment property rental income	142.9	112.9	27%
Other rental income	27.7	16.8	65%
Other income	47.2	27.0	75%
Total revenue	625.9	300.3	108%

- Despite aeronautical prices held at FY22 levels for the first year of PSE4, revenue from Airfield and the Passenger Services Charge grew a combined 132% reflecting strong growth in aircraft movements and passengers
- With passengers returning, the progressive reopening of retail stores in the international terminal drove a significant increase in retail income
- Car parking income increased significantly reflecting the stronger than pre-COVID propensity to park, the reopening of all parking products and passenger growth
- Investment property rental income increased by 27% on the prior period driven by rental growth in the existing portfolio, part period new leases in FY22 and new leases in FY23 and an \$8.4 million 'straight-lining effect' from leases with fixed rental increments over the lease period

Operating costs

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For the year ended 30 June (\$m)	2023	2022	Change
Staff	63.3	50.0	27%
Asset management, maintenance and airport operations	89.8	66.7	35%
Rates and insurance	31.8	21.0	51%
Marketing and promotions	6.7	1.4	379%
Professional services and levies	8.2	4.3	91%
Fixed asset write-offs, impairments and termination costs ⁹	3.8	6.9	(45)%
Flood related expense	8.4	-	
Other expenses	19.2	6.1	215%
Expected credit losses	(2.4)	(0.6)	(300)%
Total operating expenses	228.8	155.8	47%
Depreciation	145.3	113.1	28%
Interest	62.7	53.7	17%

- The recovery in aviation necessitated higher staff numbers and outsourced operations for bussing, cleaning and parking (within asset management, maintenance and airport operations) to service increased aircraft and passenger throughput
- Normalising for the \$4.3 million government wage subsidy received only in the prior period, staff costs rose 17% or \$9.0 million in the period
- In January 2023, Auckland Airport experienced flash flooding caused by record breaking rainfall, particularly in the international terminal. \$8.4 million of flood related expenses were suffered in the financial year
- Cost inflation was very strong, especially in non-tradable categories with rates and insurance costs rising significantly
- Other expenses rose in the year reflecting a \$3.4 million write down of decommissioned assets, increased SaaS costs and higher operating costs from increased hotel activity

9. \$3.8 million in 2023 is net of \$1.0 million benefit in related to the reversal of fixed asset impairment and termination costs

Significant lift in capital expenditure

Capital expenditure in the year of circa \$647 million, a record year spanning both aeronautical and commercial assets

Terminal Integration (\$215 million):

- Construction underway on several elements including the Eastern Bag Hall, West Terminal Enabling and other civils-related enabling projects. Completed new Operations Control Centre and east airfield relocations

Transport including car parking (\$149 million)

- Construction progressing well on new Transport Hub and Park & Ride South facilities as well as two roading projects, Te Ara Korako Drive and upgrades to Lawrence Stevens Drive

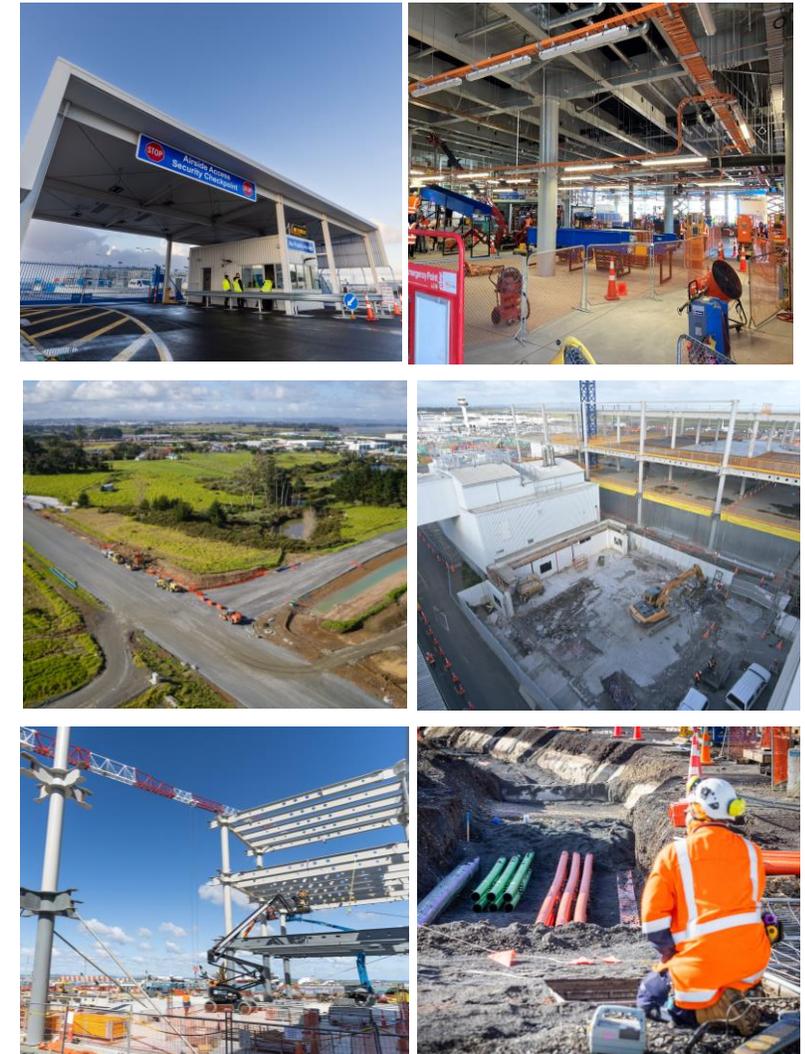
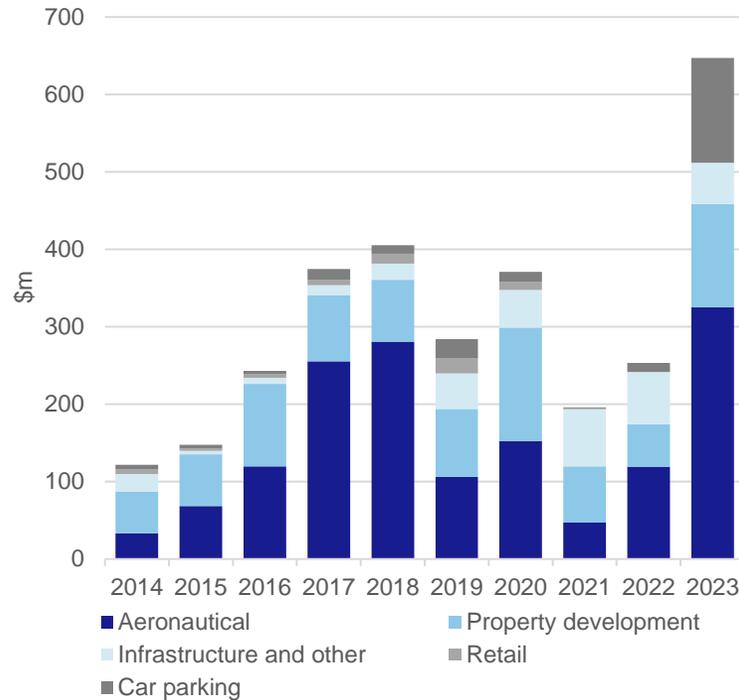
Airfield (\$66 million)

- Renewal and upgrade works for the airfield, aprons and fuel network. In addition, Auckland Airport purchased airfield ground lighting assets from Airways NZ that required significant R&M

Property (\$133 million)

- Completed the preleased development at 6-8 Te Kapua Drive and an expansion of Kerry Logistics
- Eight pre-leased warehouse and office developments underway, with completions expected through FY24 to FY25 alongside construction of Mānawa Bay

Capital expenditure



Balance sheet remains strong

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As at 30 June 2023 (\$m)	2023	2022	Change
Non-current assets	10,668.5	10,078.1	6%
Property, plant and equipment	7,548.3	6,986.1	8%
Investment property	2,882.1	2,897.4	(1)%
Other non-current assets	238.1	194.6	22%
Current assets	160.8	74.8	115%
Cash	106.2	24.7	330%
Other current assets	54.6	50.1	9%
Non-current liabilities	1,855.6	1,391.9	33%
Term borrowings	1,388.3	961.0	44%
Other non-current liabilities	467.3	430.9	8%
Current liabilities	596.2	610.1	(2)%
Equity	8,377.5	8,150.9	3%

- Non current assets increased reflecting the net \$203 million upwards revaluations of land, infrastructure, and runways, taxi ways & aprons classes of assets within property, plant and equipment, the \$140 million downwards revaluation of Investment Property and the \$647 million capital expenditure in FY23
- The balance sheet remains strong with gearing at 18.2% versus the 60% borrowing covenant and book value of equity at \$8.4 billion versus market capitalisation of approximately \$12 billion

Strong liquidity position and robust credit metrics

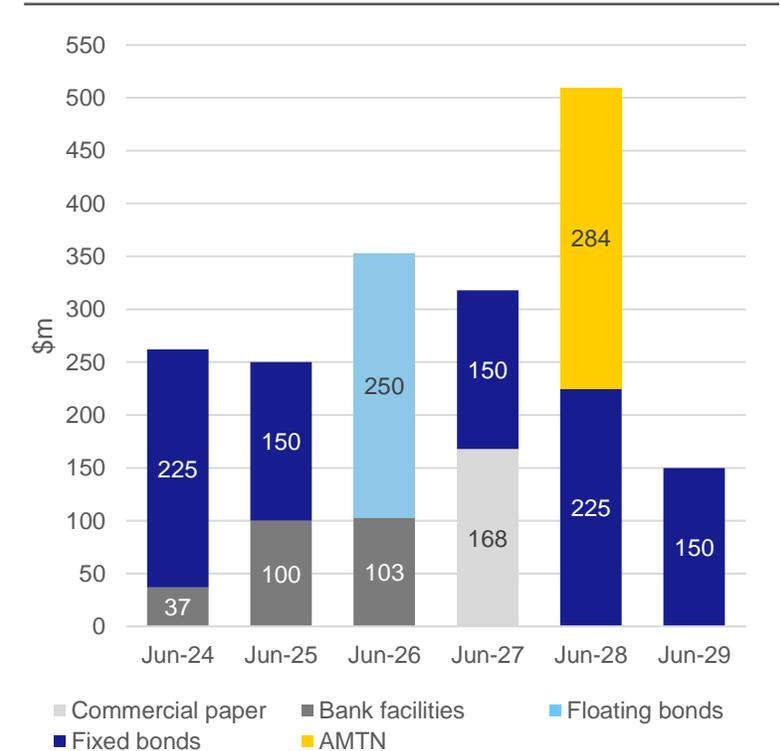
Strong financial metrics with strong covenant headroom and liquidity to support the planned capex

- Total drawn debt of \$1,817 million at 30 June 2023, an increase of 23% or \$340 million on June 2022
- Committed undrawn bank facility headroom of circa \$963 million (Jun-22: \$955 million), and \$106 million in available cash (Jun-22: \$25 million)
- Raised \$625 million of new borrowings through four NZDCM issues in the period comprising:
 - a \$150 million and \$100 million wholesale floating rate note issues; and
 - a \$225 million and \$150 million listed fixed rate bond issues
- A- credit rating maintained

Key credit metrics

	Test	Jun-23	Jun-22
Gearing covenant ¹⁰	≤ 60%	18.2%	15.6%
Interest coverage covenant ¹¹	≥ 2.0x	6.57x	2.58x
Debt to enterprise value		12.7%	12.3%
Net debt to enterprise value		12.0%	12.1%
FFO interest cover ¹²	≥ 2.5x	5.0x	2.6x
FFO to net debt ¹²	≥ 11.0%	18.5%	6.4%
Weighted average interest cost		5.03%	4.32%
Average debt maturity profile (yrs)		2.65	2.29
Percentage of fixed borrowings		63.2%	71.5%

Drawn debt maturity profile by financial year



10. Gearing defined as nominal value of debt plus derivative liabilities divided by nominal value of debt plus derivative liabilities plus the book value of equity
 11. Interest coverage defined as reported NPAT plus taxation, interest expense, depreciation, revaluations and derivative changes (broadly EBITDA) divided by interest
 12. Test is S&P's A- rating threshold for Auckland Airport

Dividend

2023 Annual Results

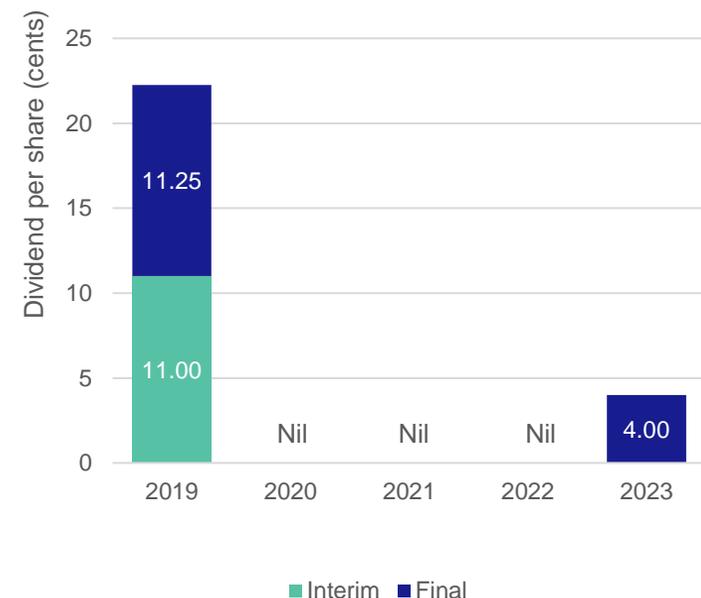
Final dividend for FY23 of 4.0 cents per share

- In June 2023, Auckland Airport revised its dividend policy to:
 - pay 70% to 90% of underlying net profit after tax (excluding unrealised gains and losses arising from a revaluation of property or treasury instruments and other one-off items), noting that, in special circumstances, the directors may consider the payment of ordinary dividends above or below this range, subject to the company's cash flow requirements, forecast credit metrics and outlook at the time
- A final dividend of 4.0 cents per share has been declared for FY23 and is imputed to 100% for qualifying shareholders, representing a pay-out of 73% of second half underlying profit

Dividend reinvestment plan

- Shareholders can once again participate in Auckland Airport's dividend reinvestment plan (in full or in part) at a discount of 2.5%
- Any shareholder that elects to participate will remain in the plan at the same participation level until they elect to terminate or amend their participation level
- Dividend reinvestment plan application forms must be received by 27 September 2023 to confirm participation in the plan with the trading period for setting the DRP strike price from 27 September 2023 to 3 October 2023. The DRP strike price will be announced on 5 October 2023

Auckland Airport dividends per share



Dividend Reinvestment Plan

Offer Document

Auckland International Airport Limited

This is an important document. If you have any questions in relation to the Dividend Reinvestment Plan, or are in any doubt as to how to act, please contact your financial adviser.

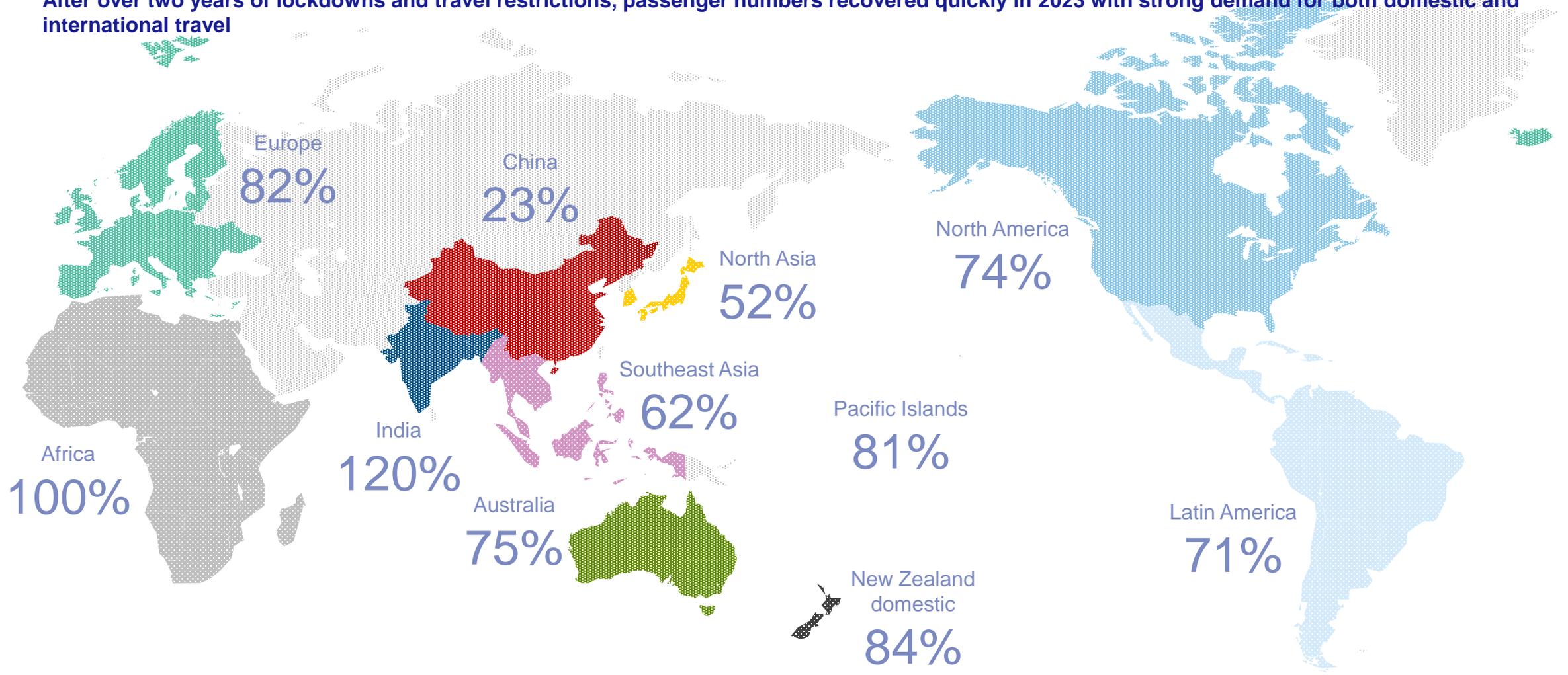
August 2023

Building a better future



Passenger markets are recovering

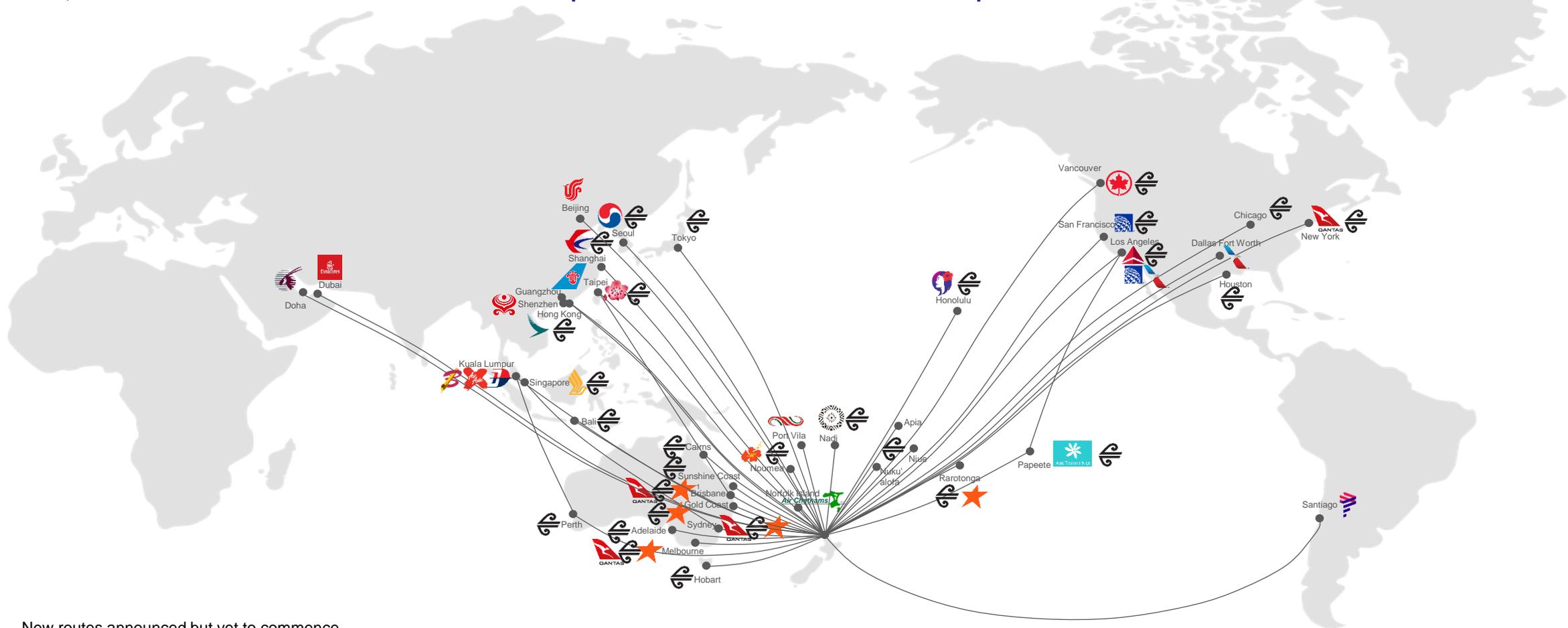
After over two years of lockdowns and travel restrictions, passenger numbers recovered quickly in 2023 with strong demand for both domestic and international travel



Note:
Each percentage outlined above represents the bi-directional recovery of international passenger movements between New Zealand and that specific international market for the year to 30 June 2023 compared to the year ended 30 June 2019. Source: Stats NZ.
New Zealand domestic at 84% shows recovery of the domestic travel market within New Zealand for the year ending 30 June 2023 compared to the year ended 30 June 2022. Source: Auckland Airport

New Zealand is reconnecting to the world

With the restart of services and the launch of new routes, during 2023, 25 airlines connected Auckland Airport with 40 destinations across the Middle East, Asia, the Americas and the Pacific Islands versus compared to 29 airlines and 43 destinations pre-COVID



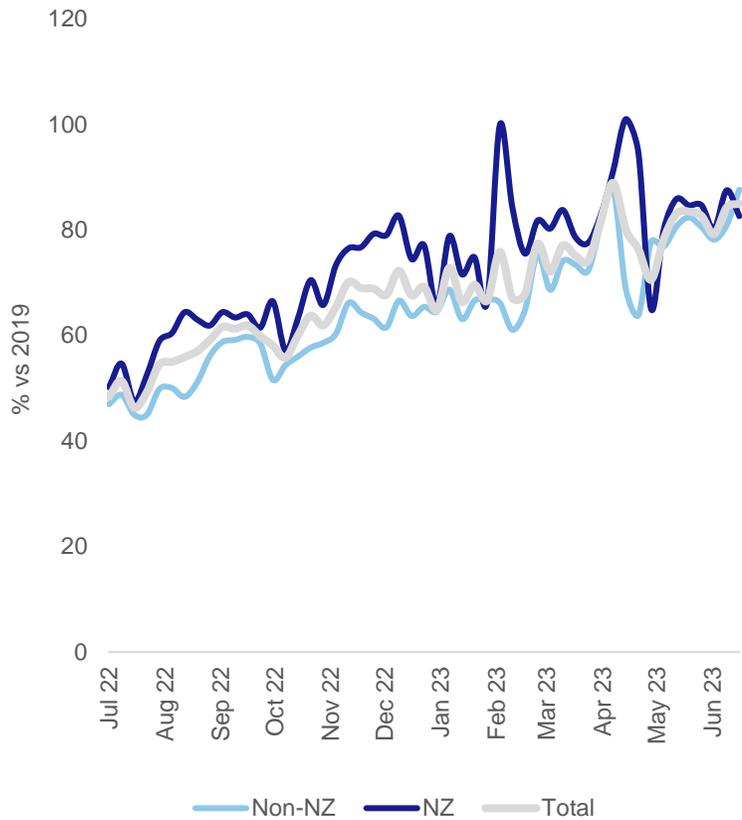
New routes announced but yet to commence

-    AKL - LAX
-   AKL - PER - KUL

The recovery in travel remains broad based

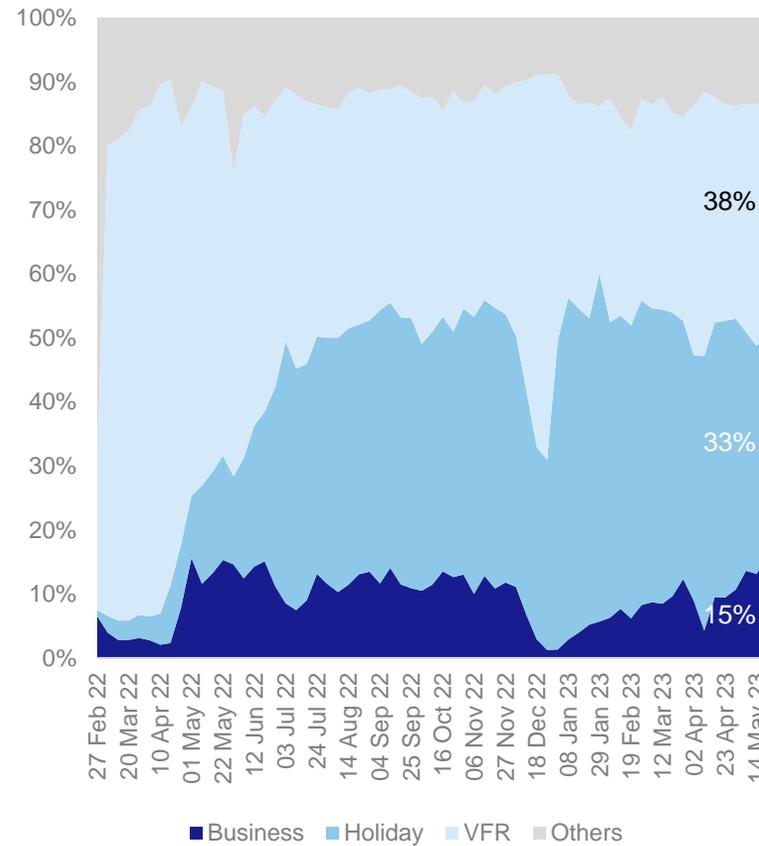
Strong recovery in aviation markets across both Kiwi outbound travellers and international visitors, with a diverse mix of reasons for travel, despite COVID-19 related airline capacity shortages leading to very high air fares

New Zealand arrivals



Source: Stats NZ

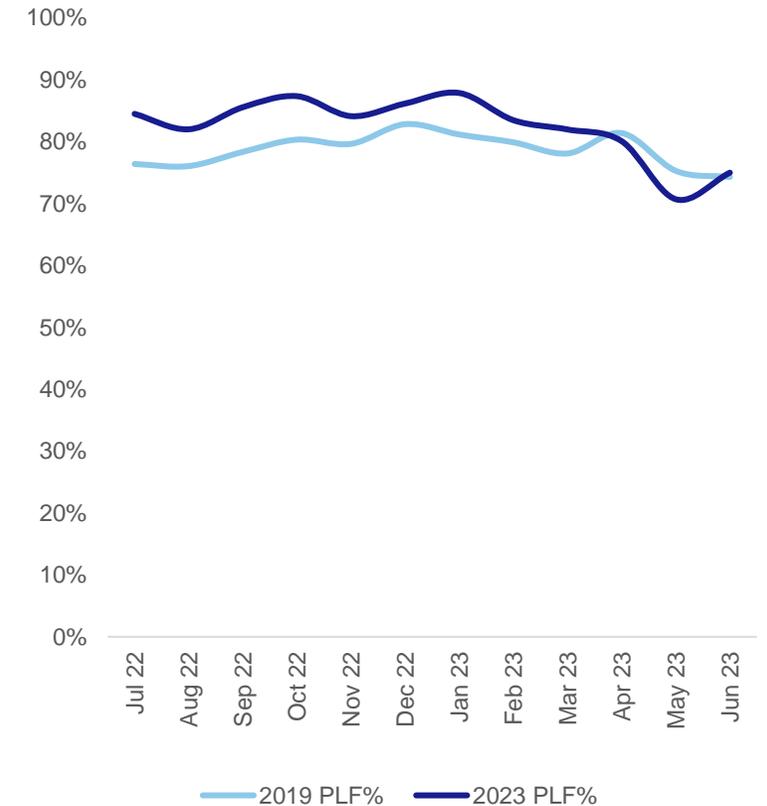
Weekly visitor arrivals' purpose of travel



Source: Stats NZ

Note: VFR purpose of travel is visiting friends and relatives

International load factors (PLF) at Auckland



Source: Auckland Airport

We remain focused on improving efficiency and customer experience



Flight	STA	ETA	OBK	Origin	CV	Gate	A/C	Reg	Status	15:54
NZ144	1455	1454	1453	BNE	01	10	ZKNHB		Processing	
NZ102	1505	1511	1513	SYD	05	4	ZKNNF		Processing	
NZ991	1510	1508	1509	APW	05	8	ZKNNB		Processing	
MU779	1545	1604		PVG	01	7	B2002		Delayed	
D7288	1615	1607		SYD	01	9	9MXBH		Delayed	
QF145	1615	1637		SYD	02	15R	VHVZI		Delayed	
LA800	1635	1609		SYD	03	6	CCBGG		Early	
NZ104	1655	1709		SYD	05	18	ZKOKM			
NZ188	1705	1652		OOL	05	4	ZKNE			
NZ953	1705	1658		NAN	06	3	ZKNZN			
NZ146	1715	1800		BNE	06	17	ZKOKS		Delayed	
CA783	1730	1734		PEK	03	10	B7878			
NZ937	1730	1912		IUE	01	13	ZKNG		Rescheduled	



Observation

- The rebound of passenger numbers, combined with staff shortages across the aviation industry (e.g. airport, baggage handlers, security and biosecurity screening) put pressure on arrival processing and the customer experience has not been acceptable

- Airport rosters are typically based on airline schedules, so the closer airline performance is to schedule, the more efficiently the system is able to process customers
- Recent on-time arrival performance has adversely impacted customer experience

- On time departure performance for both domestic and international services remains below historical averages, impacting customers and the environment from additional fuel burn

Action

- A taskforce with representatives from across the airport community has identified a number of initiatives to improve customer experience, such as dedicated biosecurity lanes for New Zealand and Australian passport holders, as well as improved use and sharing of data with joint border agencies to aid passenger processing

- We are also working collaboratively with airlines to improve on-time performance and the airport community to flex and adapt when things don't go to plan

- To improve operational efficiency, we are building data and machine learning capabilities.
- This will better predict aircraft push backs and taxi times to help airlines reduce their carbon emissions and cut unnecessary taxiway wait times for aircraft and the passengers onboard

Transforming the aviation system at Auckland

Airline consultation on the 10-year capital programme concluded in the year with circa \$6.7 billion of investment planned for Auckland Airport over PSE4 and PSE5 that will transform the aviation system



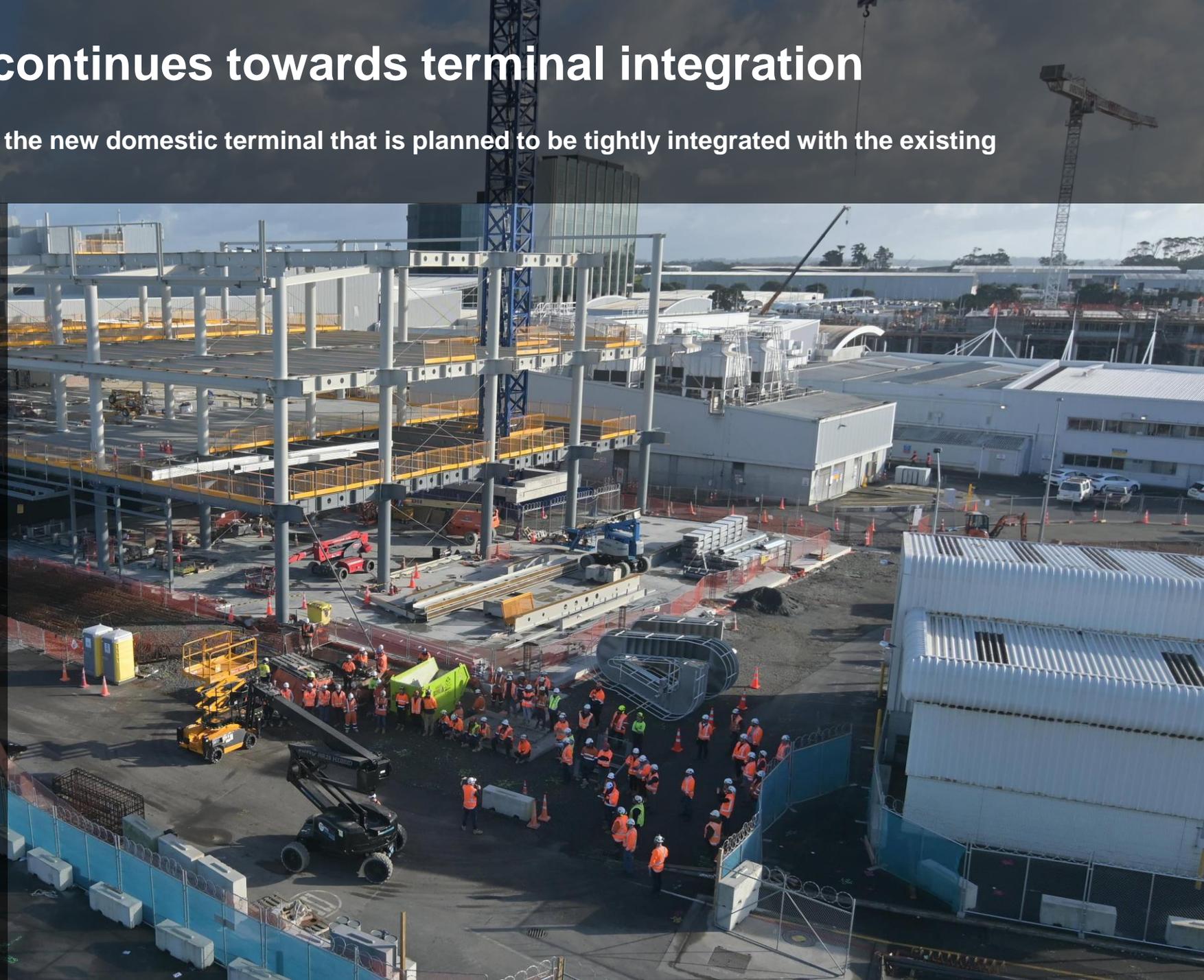
Ten-year roadmap

Projects are subject to change and may be replaced, deferred or cancelled

Significant progress continues towards terminal integration

Substantial enabling works continue on the new domestic terminal that is planned to be tightly integrated with the existing international terminal building

- Detailed consultation with airline stakeholders concluded
- Detailed design of the integrated facility now underway with expectation of the completion of detailed design in calendar 2024
- Construction on key enabling works projects progressing well including:
 - completed the relocation of the airport operations centre to a new purpose-built facility that enables closer collaboration between airport stakeholders;
 - construction of the new Eastern Bag Hall including increased capacity; and
 - relocation of eastern airfield operations including livestock, ULDs, airside waste disposal facility and Checkpoint Charlie



Airfield expansion providing important capacity for growth



Transport Hub that will transform the guest experience is taking shape



Retail recovery is underway

2023 has been a transformative year for retail at Auckland Airport. With the recovery in travel, the international retail precinct has reopened driving a significant lift in retail income

- By 30 June 2023, all stores in both the domestic and international retail concessions were open to the public, up from 90% and 45% respectively at 30 June 2022
- With a greater number of stores open and with increased trading hours, strong rental car sales and increased passenger flows, Retail income of \$130.9 million was up materially on the \$22.7 million in the prior year. As a result of these factors income per passenger¹³ lifted 105% to \$8.41 (FY19: \$10.96)
- Auckland Airport ran a competitive re-licencing process and subsequently selected global duty-free operator Lagardère AWPL as its duty-free partner and transitioned to a single operator in June 2023
- Initial duty free single operator observations have been positive with average transaction values higher than pre-COVID equivalent.
- Reflecting the progressive renegotiation of expiring retailer licences, retail rent abatements declined to \$58 million for the year, or 34% of FY22
- The omni-channel offering has resonated strongly with customers with the ease of pre-purchasing duty and tax-free goods in advance and collecting on the day of travel
- The off-airport duty and tax-free service via the Collection Point is recovering well leveraging the addition of new luxury stores from Auckland's premium retail districts. Income is up 5 times on the prior year

\$130.9 million

of Retail income in the year

\$8.41

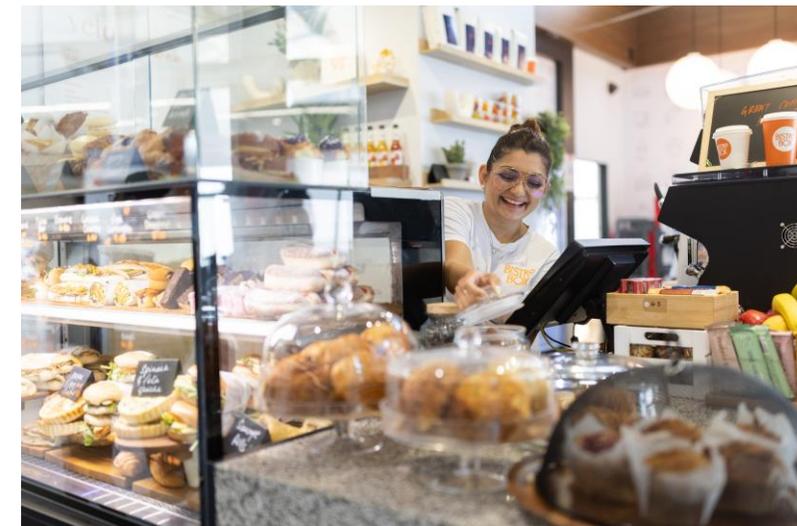
of Retail income per PAX

115

Retail tenancies across the domestic & international terminals

100%

of retail stores open in the terminals



Newly opened Bistro Box at the International Terminal

13. Income per PAX calculated as total retail income divided by total PAX, excluding half of the transit PAX movements

Parking services continue to resonate with travellers

2023

Annual Results

Highlights

With a full suite of products open for the year and ongoing strong demand for self-drive and premium products, Parking income outpaced the passenger recovery

- Parking revenue is up two-fold from the prior year to \$57.7 million reflecting the combined effects of the recovery in international passenger numbers, rise in the average period of stay and customers trading up in the period to higher-value parking products
- Domestic parking revenue recovered to be in-line with pre-COVID level, but International terminal parking was constrained with reduced spaces due to the Transport Hub construction. Travellers were however able to utilise Valet and Park and Ride products as an alternative
- New products opening in the year including a short-stay car park with designated accessible parking spaces and a mobility Valet product, providing ease of access at the front door of the international terminal

Financial performance

Building a better future

Outlook

Development activity

- Construction of the Transport Hub continues to progress well with the ground floor drop off pick up due to open in 2H24 and the above ground parking levels by the end of calendar 2024. When finished, the Transport Hub will provide improved passenger amenity, connectivity and capacity for the terminal precinct
- \$90 million of new transport projects announced in the year to support passenger journeys including:
 - a new Park & Ride facility to connect southern travellers and due to open later in calendar 2024;
 - a new priority lane on Laurence Stevens Drive for public transport and high-occupancy vehicles to provide easier access into the airport; and
 - a new road, Te Ara Kōrako Drive, connecting George Bolt Memorial Drive and Nixon Road

7,214

Number of public car parks

1.9 million

Number of exits

\$5,761

Average revenue per car park



Construction of the Transport Hub

Investment property continues strong growth

2023 Annual Results

Highlights

Financial performance

Building a better future

Outlook

Development momentum underpinning strong growth

- Rental income up 27% to \$143 million reflecting a combination of lease renewals, new tenancies and \$8.4 million of 'straight-lined' future revenue recognition
- Rent roll in the year to June 2023 increased 15% to \$147 million
- Completed developments in the year include Healthcare Logistics and Kerry Logistics adding 23,600sqm of net lettable area
- Quality pipeline of nine new developments under construction which will add a further \$40 million in rental income once completed

Hotels

- Significant improvement in hotel occupancy during the year, reaching 75% for the year
- Fit out of the Te Ārikinui Pullman continues with opening planned before the end of this calendar year

\$2.9 billion

Portfolio value

535,058m²

Net lettable area

\$147 million

Rent roll

99.5%

Portfolio occupancy

8.6 years

Weighted average lease term

151ha

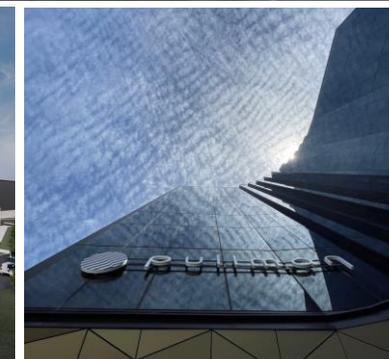
of land available for property development

75%

Annual hotel occupancy

\$216.35

Average hotel daily room rate



Projects currently under development

Sustainability remains central to our activities

2023

Annual Results

Highlights

Financial performance

Building a better future

Outlook

Sustainability is a key priority for us – our planned investments will help us move towards climate change goals and create a more sustainable airport



Purpose
Kaupapa

Material issues:

- Customer experience
- Wider economic contribution

Activities:

- Established centralised customer functions (including Insights, Customer Care and Contact Centre) to improve customer experience at Auckland Airport
- Participated in government business delegations to promote New Zealand offshore to help rebuild our tourism and export industries



Place
Kaitiakitanga

Material issues:

- Climate change risk and adaptation
- Minimising our environmental footprint

Activities:

- Undertook a coastal cleanup
- 27% reduction in scope 1 and Scope 2 emissions against a 2019 baseline
- Commenced programme to phase out gas from the terminals
- Relocated 227 native eels
- Introduced organic waste separation in the terminals
- Installed 24 EV chargers on the airfield



People
Whānau

Material issues:

- Health, safety, wellbeing and security
- Responsible employer

Activities:

- Safety & Risk Executive appointment.
- 'People First' HS&W strategy adopted
- 40:40:20 target achieved for Board/Executive/Tier 3 levels of leadership
- 10% of our employees identify as Māori or Pasifika, with 50 different ethnicities across our workforce.
- Implemented enhanced parental leave policy
- 12% of all permanent employees undertake paid volunteer leave



Community
Hapori

Material issues:

- Aircraft noise
- Community and mana whenua involvement

Activities:

- \$384,000 granted to community projects to support learning, literacy and life skills in South Auckland
- Celebrated Matariki with te reo Māori in the terminals
- Continued to work with alongside local iwi on the design of projects across the precinct
- Held a job fair to create employment opportunities for local people and connect them to jobs

Outlook

2023

Annual Results

Guidance

- As we look to the 2024 financial year, we continue to see positive signs in the recovery of the aviation industry with increased connectivity continuing to facilitate a recovery in travel
- Reflecting this, Auckland Airport is providing the following guidance for FY24 of:
 - underlying earnings of between \$260 million and \$280 million based on anticipated domestic and international passenger numbers of 8.5 million and 10.6 million respectively; and
 - capital expenditure of between \$1,000 million and \$1,400 million in the year reflecting the significant investment across the airport precinct
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and any deterioration due to global market conditions or other unforeseeable circumstances



Welcome sign for the FIFA Women's' World Cup

Regulatory



On 8 June 2023, Auckland Airport reset aeronautical prices covering the five year pricing period to 30 June 2027

- Airline charges will rise following the current price freeze, with the increases driven by a combination of:
 - \$2.5 billion of priced commissioned assets to be delivered during PSE4;
 - catch-up of the more than \$100 million revenue shortfall in FY23 (year one of PSE4) owing to the price freeze to support airlines during the early stages of the COVID-19 recovery; and
 - a higher target return reflecting updating all the data inputs of the Commission’s in-force 2016 cost of capital Input Methodology at the start of PSE4 and discontinuing the unwarranted 5bps downwards adjustment to asset beta for aeronautical activities
- No claw-back of the \$500 million plus aeronautical revenue losses in PSE3 caused by COVID-19
- Commerce Commission review of Auckland Airport’s PSE4 charges expected before the end of the 2024 financial year

Other regulation

- The Civil Aviation Bill has been passed. Act due to come into effect 5 April 2025
- The Commerce Commission’s draft WACC IM determination has been released, to be finalised in December 2023. The Draft decision includes a dramatic shift in methodology. The three regulated airports (supported by New Zealand Airports) have submitted strong evidence that the changes are ad hoc, unpredictable for future IM reviews, not evidenced and do not meet the Commission’s own clearly-stated decision-making framework



International airlines operating at Auckland Airport

Key aeronautical charges

	2022	2023	2024
Domestic Passenger Charge	\$3.10	\$3.10	\$5.05
Regional Passenger Charge	\$2.64	\$2.64	\$4.53
International Passenger Charge	\$15.49	\$15.49	\$21.20
MCTOW >40 tonnes landing charge per tonne	\$14.20	\$14.20	\$20.72

Note:
Refer to Auckland Airport’s schedule of standard charges for a full breakdown of aeronautical charges for PSE4

Appendix



Appendix: Associates' performance

2023 Annual Results



For the year ended 30 June (\$m)	2023	2022	Change
Queenstown Airport (24.99% ownership)			
Total Revenue	59.6	26.8	122%
EBITDA	43.9	14.0	214%
Underlying Earnings (Auckland Airport share)	5.7	0.3	1,325%
Domestic Passengers	1,633,459	1,096,655	49%
International Passengers	736,861	37,889	1,845%
Aircraft movements	16,235	9,691	68%



Novotel Tainui Holdings (50.00% ownership)			
Total Revenue	24.8	21.5	15%
EBITDA	6.6	12.3	(46)%
Underlying Earnings (Auckland Airport share)	1.9	4.1	(54)%
Average occupancy	71%	20%	

Appendix: Underlying profit reconciliation

2023

Annual Results

For the year ended 30 June (\$m)	2023			2022		
	Reported profit	Adjustments	Underlying profit	Reported profit	Adjustments	Underlying profit
EBITDAFI per Income Statement	397.1	-	397.1	144.5	-	144.5
Investment property fair value change	(139.7)	139.7	-	204.4	(204.4)	-
Property, plant and equipment fair value change	(15.6)	15.6	-	(1.4)	1.4	-
Fixed asset write-offs, impairments and termination costs ¹⁴	-	2.8	2.8	-	6.9	6.9
Derivative fair value change	(0.7)	0.7	-	1.7	(1.7)	-
Share of profit / (loss) of associate and joint ventures	11.1	(3.6)	7.5	(12.8)	17.2	4.4
Depreciation	(145.3)	-	(145.3)	(113.1)	-	(113.1)
Interest expense and other finance costs	(62.7)	-	(62.7)	(53.7)	-	(53.7)
Taxation expense / (benefit)	(1.0)	(50.3)	(51.3)	22.0	(22.6)	(0.6)
Profit after tax	43.2	104.9	148.1	191.6	(203.2)	(11.6)

We have made the following adjustments to show underlying profit after tax for the years ended 30 June 2023 and 2022:

- we have reversed out the impact of revaluations of investment property in 2023 and 2022. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy;
- consistent with the approach to revaluations of investment property, we have also reversed out the revaluations of the land, runways, taxi ways, aprons and infrastructure and building classes of assets within property, plant and equipment in 2023 and land and building classes of assets within property, plant and equipment in 2022;
- we have reversed out the impact of capital expenditure write-offs, impairments and termination cost expenses and reversals in 2023 and 2022. These fixed asset write-off costs, impairments and termination costs are not considered to be an element of the group's normal business activities and on this basis have been excluded from underlying profit;
- we have also reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting on foreign exchange hedges, as well as any ineffective valuation movements in other financial derivatives. The group holds its derivatives to maturity, so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18(b) of the financial statements;
- in addition, we have adjusted the share of profit of associates and joint ventures in both 2023 and 2022 to reverse out the impacts on those profits from revaluations of investment property and financial derivatives; and
- we have also reversed out the taxation impacts of the above movements in both the 2023 and 2022 financial years.

Glossary

Annual results

AMTN	Australian medium-term notes
BPS	Basis points
CPS	Cents per share
DRP	Dividend reinvestment plan
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
EV	Electric vehicle
FFO	Funds from operations
FY	Financial year to 30 June
GAAP	Generally accepted accounting principles
IM	New Zealand Commerce Commission Input Methodologies
MCTOW	Maximum certified take-off weight
NPAT	Net profit after tax
NZDCM	New Zealand debt capital markets
PAX	Passenger
PLF	Passenger load factor
PSE4	Regulatory price setting event 4
ULD	Unit load device
VFR	Visiting friends and relatives
WACC	Weighted average cost of capital