



24 March 2023

## Contents

- February 2023 traffic highlights
- Operating statistics table
- Recent market announcements and media releases

## February 2023 highlights

Group traffic summary	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% **	FY19 <sup>^</sup>	% ***	2023	2022	% **	2019 <sup>^</sup>	% ***
Passengers carried (000)	1,201	481	149.9%	1,413	(15.0%)	10,350	4,302	141.6%	11,614	(11.6%)
Revenue Passenger Kilometres(m)	2,334	358	552.3%	3,098	(24.7%)	18,097	2,939	518.3%	25,587	(29.9%)
Available Seat Kilometres (m)	2,710	801	238.3%	3,708	(26.9%)	20,705	5,320	290.8%	30,640	(33.0%)
Passenger Load Factor (%)	86.1%	44.7%	41.4 pts	83.6%	2.5 pts	87.4%	55.2%	32.2 pts	83.5%	3.9 pts

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)		% change in reported RASK (excl. FX)	
	vs 2022	vs 2019 <sup>^</sup>	vs 2022	vs 2019 <sup>^</sup>
Group	28.5%	53.0%	27.2%	51.1%
Short Haul	30.9%	40.6%	30.0%	39.8%
Long Haul	162.8%	49.6%	158.9%	45.8%

Please note that the available seat kilometre (capacity) numbers included in the tables within this disclosure do not include any cargo-only flights. This is because these capacity numbers are used to calculate passenger load factors and passenger RASK

\* % change is based on numbers prior to rounding

+ The year-to-date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2021 (32 days) compared with July 2022 (31 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

++ The year-to-date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2018 (29 days) compared with July 2022 (31 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

<sup>^</sup> From 1 July 2022, Honolulu flights are categorised as Americas (was Pacific) and Denpasar flights are categorised as Asia (was Pacific). All historic data has been adjusted to reflect this change.

<sup>1</sup> Reported RASK (unit passenger revenue per available seat kilometre) is inclusive of foreign currency impact, and underlying RASK excludes foreign currency impact.



## Operating statistics table

Group	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% *+	FY19 <sup>^</sup>	% *++	2023	2022	% *+	2019 <sup>^</sup>	% *++
Passengers carried (000)	1,201	481	149.9%	1,413	(15.0%)	10,350	4,302	141.6%	11,614	(11.6%)
Revenue Passenger Kilometres(m)	2,334	358	552.3%	3,098	(24.7%)	18,097	2,939	518.3%	25,587	(29.9%)
Available Seat Kilometres (m)	2,710	801	238.3%	3,708	(26.9%)	20,705	5,320	290.8%	30,640	(33.0%)
Passenger Load Factor (%)	86.1%	44.7%	41.4 pts	83.6%	2.5 pts	87.4%	55.2%	32.2 pts	83.5%	3.9 pts

Short Haul Total	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% *+	FY19 <sup>^</sup>	% *++	2023	2022	% *+	2019 <sup>^</sup>	% *++
Passengers carried (000)	1,076	474	126.9%	1,227	(12.3%)	9,494	4,263	123.6%	10,054	(6.4%)
Revenue Passenger Kilometres(m)	1,080	292	269.3%	1,272	(15.1%)	9,571	2,551	276.7%	10,603	(10.5%)
Available Seat Kilometres (m)	1,235	574	115.1%	1,529	(19.2%)	10,988	4,000	175.9%	12,844	(15.2%)
Passenger Load Factor (%)	87.5%	50.9%	36.5 pts	83.2%	4.2 pts	87.1%	63.8%	23.3 pts	82.6%	4.5 pts

Domestic	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% *+	FY19 <sup>^</sup>	% *++	2023	2022	% *+	2019 <sup>^</sup>	% *++
Passengers carried (000)	823	453	81.6%	928	(11.3%)	7,272	4,083	78.9%	7,458	(3.3%)
Revenue Passenger Kilometres(m)	428	236	81.3%	492	(13.2%)	3,795	2,040	86.8%	3,883	(3.1%)
Available Seat Kilometres (m)	511	405	26.4%	580	(11.8%)	4,399	2,940	50.2%	4,682	(6.8%)
Passenger Load Factor (%)	83.6%	58.3%	25.3 pts	84.9%	(1.3 pts)	86.3%	69.4%	16.9 pts	82.9%	3.4 pts

Tasman / Pacific	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% *+	FY19 <sup>^</sup>	% *++	2023	2022	% *+	2019 <sup>^</sup>	% *++
Passengers carried (000)	253	21	1102.1%	299	(15.3%)	2,222	180	1137.1%	2,595	(15.1%)
Revenue Passenger Kilometres(m)	652	57	1052.1%	779	(16.3%)	5,776	511	1036.0%	6,721	(14.8%)
Available Seat Kilometres (m)	724	170	327.2%	949	(23.6%)	6,589	1,060	524.4%	8,162	(19.9%)
Passenger Load Factor (%)	90.1%	33.4%	56.7 pts	82.1%	8.0 pts	87.7%	48.2%	39.5 pts	82.3%	5.4 pts

Long Haul Total	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% *+	FY19 <sup>^</sup>	% *++	2023	2022	% *+	2019 <sup>^</sup>	% *++
Passengers carried (000)	125	6	1836.9%	187	(33.0%)	856	38	2136.3%	1,560	(45.6%)
Revenue Passenger Kilometres(m)	1,254	65	1817.9%	1,826	(31.3%)	8,526	388	2107.3%	14,984	(43.6%)
Available Seat Kilometres (m)	1,475	227	550.5%	2,179	(32.3%)	9,717	1,320	639.3%	17,796	(45.9%)
Passenger Load Factor (%)	85.0%	28.8%	56.2 pts	83.8%	1.2 pts	87.7%	29.4%	58.3 pts	84.2%	3.5 pts

Asia	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% *+	FY19 <sup>^</sup>	% *++	2023	2022	% *+	2019 <sup>^</sup>	% *++
Passengers carried (000)	59	2	2538.9%	77	(23.8%)	366	11	3099.8%	623	(41.8%)
Revenue Passenger Kilometres(m)	524	21	2442.4%	686	(23.6%)	3,242	105	2997.9%	5,488	(41.4%)
Available Seat Kilometres (m)	609	96	536.3%	793	(23.2%)	3,755	678	455.9%	6,505	(42.8%)
Passenger Load Factor (%)	85.9%	21.5%	64.4 pts	86.5%	(0.6 pts)	86.3%	15.5%	70.8 pts	84.4%	1.9 pts

Americas / UK	FEBRUARY					FINANCIAL YTD				
	FY23	FY22	% *+	FY19 <sup>^</sup>	% *++	2023	2022	% *+	2019 <sup>^</sup>	% *++
Passengers carried (000)	66	4	1468.9%	110	(39.5%)	490	27	1726.0%	937	(48.1%)
Revenue Passenger Kilometres(m)	730	45	1530.8%	1,140	(35.9%)	5,284	283	1776.4%	9,496	(44.8%)
Available Seat Kilometres (m)	866	131	560.9%	1,386	(37.5%)	5,962	642	833.2%	11,291	(47.6%)
Passenger Load Factor (%)	84.3%	34.2%	50.1 pts	82.3%	2.0 pts	88.6%	44.1%	44.5 pts	84.1%	4.5 pts

\* % change is based on numbers prior to rounding

+ The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2021 (32 days) compared with July 2022 (31 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

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<sup>^</sup> From 1 July 2022, Honolulu flights are categorised as Americas (was Pacific) and Denpasar flights are categorised as Asia (was Pacific). All historic data has been adjusted to reflect this change.

Air New Zealand operates primarily in one segment, its primary business being the transportation of passengers and cargo on an integrated network of scheduled airline services to, from and within New Zealand. The following operational data and statistics is additional supplementary information only.



## Market Announcements

(during the period 22 February 2023 to 23 March 2023)

[Air New Zealand 2023 Interim Results](#)

23 February 2023

### Air New Zealand – demand driving strong recovery

#### 1H 2023 Financial summary

- Statutory earnings before taxation of \$299 million, compared to a loss of \$376 million for the equivalent six-month period last year
- Operating revenue of \$3.1 billion driven by strong demand particularly across the peak summer period
- Flew eight million passengers compared to three million for the same period last year
- Domestic capacity at 94% of pre-Covid levels, and International at 60% capacity
- 3,000 people recruited since January 2022, 2,000 of which were recruited in the six months to 31 December – biggest recruitment drive in the airline's history

Air New Zealand's recovery is well underway, with the airline announcing statutory earnings before taxation of \$299 million<sup>1</sup> and revenue of \$3.1 billion for the six months ending 31 December 2022 – progress that will enable the airline to support New Zealand's economic recovery.

Following three years of Covid-related losses, Air New Zealand's interim result reflects sustained demand strength, particularly across the summer peak period, a return in business travel and overseas tourists, as well as cargo revenues above pre-Covid levels.

Air New Zealand Chair Dame Therese Walsh says she is incredibly proud of the Air New Zealand whānau and their determined efforts to get New Zealanders flying again, especially given the challenges of restarting an airline amid Covid.

"This result reflects an important milestone in our recovery and places us in a strong position to deliver on our strategy," says Dame Therese.

"When New Zealand's borders reopened much earlier than expected, our people rose to the occasion, moving swiftly to return aircraft to service, relaunch 29 routes and onboard more than 3,000 employees to support the eight million customers we flew between July and December – the busiest period we've seen in over three years.

"Despite some turbulence, we've stayed focused on getting our customers where they needed to go while keeping our eyes on the future. This result means we can continue to invest in our fleet, our people and our decarbonisation goals, to deliver the customer experience Air New Zealand is world-renown for.

"But we must acknowledge these results are being announced in the wake of the devastation that the Auckland floods and Cyclone Gabrielle have left behind. Both of these catastrophic events have heavily impacted several regions we fly to, and our hearts go out to all those impacted. We're committed to supporting those regions however we can."



Air New Zealand Chief Executive Officer Greg Foran echoed Dame Therese's comments and praised teams across the business who worked quickly to ensure the safety of our customers and our people.

On the financial performance for the half, Mr Foran noted the result was delivered against a backdrop of significant labour, supply chain and operational pressures that have challenged the airline, and the entire global aviation system.

"Our recovery is well underway and operating performance is improving steadily, but like most airlines globally, we continue to experience challenges that make it hard at times for our fantastic team to deliver the level of service we expect of ourselves, and our customers expect of us," says Mr Foran.

"We know we have more work to do to tackle customer concerns like long wait times at our call centres, getting planes to depart and arrive on time, lost baggage and getting refunds back in a timely manner. We want to thank customers for bearing with us through these and other challenges since we restarted flying. We're very aware that flying is not currently the pain-free experience it should be and getting back into shape is a key priority.

"On top of this, air fares are higher than they were pre-Covid. Like many businesses, we're facing a high inflation environment with increased fuel, labour and other supplier costs at a time when more customers are wanting to travel, and that flows through to ticket prices.

"A key focus for the team has been bringing back much needed capacity to minimise the impact of higher prices on customers. With six Boeing 777-300ER widebody aircraft now returned into service, three new domestically configured A321neo aircraft delivered and a fully crewed leased aircraft to serve the Auckland-Perth route, we are adding capacity back at pace."

Alongside this, the airline is also working to extend lease agreements, where appropriate, on existing aircraft and making tactical changes to the network to deliver an additional 2.7 million seats, or an extra 10,000 seats a day for the coming northern summer period, which runs from the end of March until the end of October.

"I'm incredibly proud of our people because, despite the challenges we've faced, we have fully reopened our international network, launched our flagship service to New York, and improved our onboard food service. We've also upgraded our mobile app, grown our Airpoints Store six-fold since 2019 and taken bold steps towards becoming a more sustainable airline. That is no small ask.

"We're investing in our people, recruiting 2,000 employees in the last six months alone, increasing our lowest wages and supporting new parents by improving parental leave."

Dame Therese highlighted the airline's ability to take a long-term view despite the short-term operational challenges, by delivering digital enhancements, beginning construction on a new hangar at Auckland airport, and taking meaningful steps on its decarbonisation journey – all supported by the everyday efforts of a special team.

"We've short-listed four world-leading innovators, along with five long-term partners, to help us deliver on our mission to have our first zero-emissions demonstrator flight in the skies in 2026, and a new regional Q300 turboprop fleet from 2030.

"We've also welcomed our first shipment of imported Sustainable Aviation Fuel into Aotearoa, which was a huge milestone for us. We're committed to finding a more sustainable way to connect with the world and know that the future of travel relies on low-carbon air transport.



“As we look ahead to the second half of this financial year, macroeconomic challenges are front of mind, including the financial impact of inflationary pressures and geopolitical uncertainty. At this moment, however, we are observing demand trends that are offsetting these macro headwinds. Air travel is still in the Covid recovery phase with high levels of demand, and the current capacity and supply chain constraints will limit supply at least in the short-term. The new hybrid work environment has also enabled greater freedom and flexibility for customers which we believe will continue to drive domestic leisure bookings.

“While we cannot predict the future, we know this new normal we find ourselves in requires great skill and dexterity to navigate. Having now spent the better part of three years dealing with constant change and flux, our people are the very best in the business to deal with anything that comes our way.”

## **Distributions**

At the capital raise in May 2022, the Board outlined its intention to consider dividends to shareholders no earlier than the 2026 financial year, based on a number of factors including the expected trajectory of demand recovery and the airline’s financial performance.

Air New Zealand has experienced a stronger and faster recovery than initially expected, with borders reopening early, and strong and sustained levels of demand. On this basis, the Board will consider distributions to shareholders in August when the airline announces its 2023 annual financial results.

## **Outlook for 2023**

Looking to the remainder of the financial year, we are optimistic about the levels of demand we continue to observe but acknowledge there is significant uncertainty regarding the overall economic outlook both domestically and internationally, with increasing inflationary pressures, tighter monetary policy and other macroeconomic factors. We also note that the second half of the financial year is typically weaker than the first half.

Against this backdrop and based on the assumption of an average jet fuel price of US\$105 per barrel for the second half of the financial year, 2023 earnings before other significant items and taxation are expected to be in the range of \$450 million to \$530 million. This guidance includes a preliminary estimate of the impact of the Auckland floods and Cyclone Gabrielle.

## **Downloads:**

- [Air NZ 2023 Interim Results Media Release](#)
- [Air NZ 2023 Interim Financial Report](#)
- [Air NZ 2023 Interim Results Presentation](#)
- [Air NZ 2023 Interim Results NZX - Appendix](#)



## Media Releases

(during the period 22 February 2023 to 23 March 2023)

### [Air New Zealand extends Gisborne – Napier service](#)

13 March 2023

Air New Zealand is extending its temporary service between Tairāwhiti Gisborne and the Hawke's Bay, given roads between the two regions are still severely damaged from the devastating floods.

The temporary service, due to come to an end on 25 March, will now operate for a further eight weeks from 10 April to 9 June to help keep the two regions connected.

The two-week pause of the service between 25 March and 10 April will allow the airline to secure the crew and aircraft required to continue operating the route for the eight-week period.

Air New Zealand Regional Affairs Manager Jason Dawson says the airline is committed to supporting the communities most impacted by Cyclone Gabrielle to stay connected in their time of need.

“We launched this temporary service to restore vital transportation links between the two regions – to support families and friends looking to be reunited and help essential workers get to where they need to be.”

“With the road link still cut off, we’ve extended the service for as long as we can to ensure connectivity between the regions while the roading infrastructure is being repaired.”

Flights will be operating six times per week and will go on sale on 13 March 2023.

### [Just a hop, skip and a jump across the ditch! Air New Zealand to resume Sunshine Coast flights](#)

9 March 2023

Air New Zealand will resume its seasonal direct services between Auckland and the Sunshine Coast of Australia from 25 June 2023.

Flying three times a week on Wednesday, Friday and Sunday and departing Auckland at 9:10am, customers can be kicking back on the beach by lunchtime.

Air New Zealand General Manager Short Haul Airline Jeremy O’Brien says the route is always popular for Kiwis looking for a winter getaway to the beautiful Sunshine Coast.

“We’ve always seen great success on this route, and we expect this season to be no different. Running from 25 June 2023 to 15 October 2023, the flights will be operated on our A320/A321 aircraft and are on sale now.

“The incredible beaches, rich food culture and laid-back nature is the perfect place for Kiwis to unwind. Couples, families or even solo travelers are guaranteed to have a great time – there’s something to do for everyone.

“Likewise, it makes travel for those visiting New Zealand from the Sunshine Coast much easier. With more than 360,000 people residing on the Sunshine Coast, a holiday to New Zealand to enjoy



our ski season or to visit whānau and friends is much more accessible now we have the direct services back in the skies”.

Air New Zealand flies to nine destinations around Australia including Sydney, Brisbane, Melbourne, Perth, Hobart, Adelaide, Cairns, the Sunshine Coast and the Gold Coast.

“Australia is an important market for Air New Zealand, we’re thrilled to be able to restart these seasonal services. The Aussie region makes up more than 20% of our network with over 2.6 million customers flying across the ditch pre-Covid. We look forward to continuing to offer them multiple gateways into and out of the country,” says Mr O’Brien.

## Black Ferns welcomed onboard Air New Zealand with new partnership

8 March 2023

Air New Zealand is taking rugby to new heights as it welcomes the Black Ferns to the Air New Zealand whānau and renews its partnership with the All Blacks.

The partnership with New Zealand Rugby (NZR) includes both the Black Ferns and All Blacks, and runs until the end of 2023 to support the promotion of New Zealand rugby on the world stage.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says Air New Zealand is honoured to work together to help promote women's rugby in Aotearoa New Zealand and around the world.

“We’re delighted about teaming up with the Black Ferns to become their official airline. The Black Ferns are one of the most successful women's rugby teams in the world. They captured the hearts of the nation as we felt overwhelming pride with their incredible win at the Rugby World Cup last year, showcasing great grit and skill on the field.”

Air New Zealand is also proud to be supporting the boys in black as they take on the Rugby World Cup in France later this year.

“The All Blacks and Air New Zealand have always shared the goal of being the absolute best at what we do and are both training hard to be better than ever before,” says Ms Geraghty.

“As the official airline of the All Blacks, we’ve had the privilege of being a part of their journey for 20 years. We have been a long-time supporter of rugby in New Zealand and look forward to continuing this partnership and supporting the team as they strive for success.

“Rugby is more than just a sport in New Zealand – it is a part of our culture and our identity. It brings people together, unites communities, is a source of pride and inspiration for all New Zealanders. Through our partnership with these two great teams, we aim to promote rugby and inspire future generations of players and fans.”

NZR CEO Mark Robinson says NZR is excited to have Air New Zealand as the official airline for both the Black Ferns and the All Blacks.

“Air New Zealand has been passionate about supporting and promoting rugby and the black jersey, nationally and globally for the last 20 years. We are looking forward to this partnership continuing through the support of the Black Ferns and All Blacks, and to Air New Zealand joining New Zealand Rugby in promoting the growth of the women’s game across New Zealand and abroad.”