

# Monthly **investor update**



31 January 2023

## Contents

- December 2022 traffic highlights
- Operating statistics table
- Recent media releases

## December 2022 highlights

Group traffic summary	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+	2019^	% ***
Passengers carried (000)	1,607	672	139.1%	1,768	(9.1%)	7,952	3,203	149.6%	8,895	(11.6%)
Revenue Passenger Kilometres(m)	3,135	431	627.1%	3,928	(20.2%)	13,241	2,166	514.5%	19,244	(31.9%)
Available Seat Kilometres (m)	3,553	824	331.2%	4,693	(24.3%)	15,126	3,704	310.6%	23,084	(35.2%)
Passenger Load Factor (%)	88.2%	52.3%	35.9 pts	83.7%	4.5 pts	87.5%	58.5%	29.0 pts	83.4%	4.1 pts

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)			% change in reported RASK (excl. FX)		
	vs 2022		vs 2019^	vs 2022		vs 2019^
Group	18.8%		54.9%		17.7%	53.4%
Short Haul	21.5%		39.3%		20.7%	38.6%
Long Haul	138.0%		50.5%		134.5%	47.3%

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.

^ 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.

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

# Monthly investor update



## Operating statistics table

Group	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+ <sup>a</sup>	2019^	% *++ <sup>a</sup>
Passengers carried (000)	1,607	672	139.1%	1,768	(9.1%)	7,952	3,203	149.6%	8,895	(11.6%)
Revenue Passenger Kilometres(m)	3,135	431	627.1%	3,928	(20.2%)	13,241	2,166	514.5%	19,244	(31.9%)
Available Seat Kilometres (m)	3,553	824	331.2%	4,693	(24.3%)	15,126	3,704	310.6%	23,084	(35.2%)
Passenger Load Factor (%)	88.2%	52.3%	35.9 pts	83.7%	4.5 pts	87.5%	58.5%	29.0 pts	83.4%	4.1 pts
Short Haul Total	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+ <sup>a</sup>	2019^	% *++ <sup>a</sup>
Passengers carried (000)	1,443	665	116.9%	1,531	(5.8%)	7,357	3,176	132.9%	7,722	(5.8%)
Revenue Passenger Kilometres(m)	1,488	363	310.2%	1,624	(8.4%)	7,326	1,899	287.9%	8,051	(10.0%)
Available Seat Kilometres (m)	1,753	609	187.7%	1,989	(11.9%)	8,399	2,810	200.5%	9,724	(14.6%)
Passenger Load Factor (%)	84.9%	59.5%	25.4 pts	81.7%	3.2 pts	87.2%	67.6%	19.6 pts	82.8%	4.4 pts
Domestic	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+ <sup>a</sup>	2019^	% *++ <sup>a</sup>
Passengers carried (000)	1,091	649	68.1%	1,137	(4.1%)	5,679	3,033	88.2%	5,756	(2.4%)
Revenue Passenger Kilometres(m)	577	321	79.6%	602	(4.2%)	2,952	1,489	99.3%	2,970	(1.7%)
Available Seat Kilometres (m)	678	501	35.3%	727	(6.7%)	3,381	2,051	65.7%	3,591	(6.9%)
Passenger Load Factor (%)	85.2%	64.2%	21.0 pts	82.9%	2.3 pts	87.3%	72.6%	14.7 pts	82.7%	4.6 pts
Tasman / Pacific	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+ <sup>a</sup>	2019^	% *++ <sup>a</sup>
Passengers carried (000)	352	17	2030.9%	394	(10.7%)	1,677	143	1081.2%	1,967	(15.6%)
Revenue Passenger Kilometres(m)	911	41	2105.2%	1,021	(10.9%)	4,374	410	972.8%	5,081	(14.8%)
Available Seat Kilometres (m)	1,075	108	892.6%	1,262	(14.8%)	5,018	759	564.6%	6,133	(19.1%)
Passenger Load Factor (%)	84.7%	38.1%	46.6 pts	81.0%	3.7 pts	87.2%	54.0%	33.2 pts	82.8%	4.4 pts
Long Haul Total	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+ <sup>a</sup>	2019^	% *++ <sup>a</sup>
Passengers carried (000)	164	7	2325.1%	236	(30.5%)	596	27	2157.0%	1,173	(49.8%)
Revenue Passenger Kilometres(m)	1,647	68	2308.7%	2,304	(28.5%)	5,915	268	2121.9%	11,193	(47.7%)
Available Seat Kilometres (m)	1,800	215	737.8%	2,704	(33.4%)	6,727	894	656.9%	13,359	(50.2%)
Passenger Load Factor (%)	91.5%	31.8%	59.7 pts	85.2%	6.3 pts	87.9%	30.0%	57.9 pts	83.8%	4.1 pts
Asia	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+ <sup>a</sup>	2019^	% *++ <sup>a</sup>
Passengers carried (000)	73	2	3675.0%	95	(23.8%)	248	8	3145.3%	470	(47.7%)
Revenue Passenger Kilometres(m)	647	18	3570.1%	850	(24.0%)	2,193	70	3040.9%	4,114	(47.3%)
Available Seat Kilometres (m)	694	98	608.1%	953	(27.2%)	2,552	501	412.6%	4,940	(48.9%)
Passenger Load Factor (%)	93.2%	18.0%	75.2 pts	89.3%	3.9 pts	85.9%	14.0%	71.9 pts	83.3%	2.6 pts
Americas / UK	DECEMBER					FINANCIAL YTD				
	FY23	FY22	% *	FY19^	% *	2023	2022	% *+ <sup>a</sup>	2019^	% *++ <sup>a</sup>
Passengers carried (000)	91	5	1789.0%	141	(35.1%)	347	19	1753.6%	703	(51.1%)
Revenue Passenger Kilometres(m)	1,000	51	1870.6%	1,453	(31.2%)	3,722	197	1795.3%	7,079	(48.0%)
Available Seat Kilometres (m)	1,107	117	846.4%	1,752	(36.8%)	4,175	393	968.2%	8,419	(50.9%)
Passenger Load Factor (%)	90.3%	43.4%	46.9 pts	83.0%	7.3 pts	89.2%	50.2%	39.0 pts	84.1%	5.1 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.

++ 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>a</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.

# Monthly **investor update**



## Media Releases

(during the period 21 December 2022 to 30 January 2023)

### Air New Zealand introduces measures to ease the pain and create certainty for disrupted passengers

30 January 2023

With the airport reopened and international flights now underway, Air New Zealand is focusing its efforts on getting the 9,000 disrupted passengers around its network back into the skies – and easing the financial pressure on customers as it does so.

Air New Zealand Chief Customer and Sales Office Leanne Geraghty says updates will be received by customers over the next 72 hours.

"Every available effort is being redirected to speed up the rebooking of these 9,000 impacted customers. Getting these customers to their destination is our most pressing concern at the moment."

In addition, the airline is also providing a goodwill payment providing stranded customers with much-needed support for accommodation costs while they await their new flight.

"To help, Air New Zealand will be temporarily refocusing staff in our international contact centre to rebook customers. This is just for the next 72 hours or until backlog is cleared. This means customers calling in will have a slightly different experience than they were expecting, but rest assured this allows us to help the customers who need us most."

Customers needing to get in touch with Air New Zealand can still do so via direct social media messages or WhatsApp, where issues can be logged and will be resolved as soon as possible.

The domestic call centre will operate as usual. The average wait time for domestic customers today is down to 45-minute as domestic flights resume and the backlog is cleared.

"We ask customers to be patient with us – leave us a message on social media or WhatsApp or postpone their call for a few days, and bear with us as we get our international customers rebooked on a flight to their destination."

Ms Geraghty says part of the challenge is flights were already quite full before the weather disrupted its schedule.

"Capacity across the global aviation network is limited. We're exploring all avenues and working with our alliance partners to see what help they can provide, along with seeing where we can move flights to get aircraft into the ports where we need them most."

"We've been able to add an extra flight to Los Angeles which will leave tonight from New Zealand to recover around 300 customers from up there."

### Airline offers \$250 accommodation goodwill payment for those displaced

"A state of emergency and an airport closure is extreme, and we understand how stressful this period must be for many customers, particularly those overseas. To help we're offering a goodwill gesture of NZD \$250 a night towards accommodation for displaced customers travelling internationally where we have not been able to provide accommodation and they have secured their own. If customers have sourced their own accommodation, we'll reimburse them up to NZD \$250 per room per night if they send through their receipts."

# Monthly **investor update**



International customers should email [FlightComment@airnz.co.nz](mailto:FlightComment@airnz.co.nz) with receipts. This applies to all Air New Zealand customers affected by the Auckland floods who were originally traveling internationally between Friday 27 January and Sunday 29 January 2023.

"We've also introduced even greater flexibility so customers can change travel to an equivalent Air New Zealand international flight between Saturday 28 January and Tuesday 28 February 2023 without fare difference or penalty fees. If travel is only available in a higher cabin, the fare difference will apply.

Domestic customers can rebook in the same class of travel between Saturday 28 January and Monday 6 February 2023 without fare difference or penalty fees. Those not wanting to travel can put their fares into credit via our App or online.

If customer have purchased a fully refundable fare and no longer wish to travel, we ask them to cancel their booking through the manage my booking functionality and request a refund.

## Air New Zealand working through significant disruptions

28 January 2023

*Please attribute to Air New Zealand Chief Operational Integrity and Safety Officer, Captain David Morgan*

Following the heavy rain, flooding and closure of Auckland Domestic and International terminals, Air New Zealand is working through significant flight disruptions on its network.

As Auckland is the hub of its operation, the airline is working through what its schedule will look like from midday today when Auckland Airport is scheduled to reopen.

Overnight the airline saw 12 international services due into Auckland divert to other ports. This will cause significant flow on effects while the airline works through getting customers on those services to their original destinations and our crew and planes back where they need to be. This may take a few days to recover.

The airline is advising those with non-urgent travel between now and Monday 30th January 2023 to make use of the flexibility policy. Customers can either hold their fare in credit or rebook in the same class of travel between Saturday 28th January 2023 and Monday 6th February 2023 without fare difference, penalty or service fees.

Customers can easily opt into credit via the Air New Zealand app or website in the Manage Booking tab, by selecting request a credit. They can also use the app or website to change their flights to another date and have their change fee waived, though a fare difference may apply.

## Air New Zealand – 2022 in the Air at 35,000ft

25 January 2023

What do red wine, salmon and lizards have in common? Well, Air New Zealand has crunched the numbers to reveal all the weird and wonderful things that have been sipped, eaten, and carried onboard its flights over the last 12 months.

Thanks to the border reopening last year, Air New Zealand carried 12.3 million customers and operated 152,000 flights across its domestic and international network in 2022. A whopping jump compared to 8 million customers and 118,721 flights the previous year.

"If the year taught us anything it was that Kiwis absolutely love to travel around Aotearoa and overseas visitors have been longing for our borders to reopen," says Air New Zealand Chief Customer and Sales Officer Leanne Geraghty.

# Monthly **investor update**



"9.4 million customers travelled on our domestic network last year, up from 7.4 million passengers in 2021. With the international border reopening, 2.9 million customers travelled with us compared to half a million in 2021, providing significant and welcome support for Aotearoa's ongoing tourism industry recovery."

No surprises that Air New Zealand's busiest day was 23 December with more than 55,000 customers heading off on their holiday break.

"With so many customers, there's a lot of work behind the scenes - our cleaning team cleaned approximately 100,000 aircraft seats every week."

Our crew also helped quench customers' thirst and handed out almost 4.9 million Cookie Time cookies, 12 million Air New Zealand lollies, and 1.6 million savoury snacks.

Customers also enjoyed the following – consuming more than double the amount compared to 2021:

- 353,748 litres of soft drink
- 219,900 litres of beer
- 117,308 litres of red wine
- 53,122 litres of Chardonnay
- 62,309 litres of Sauvignon Blanc
- 5,341 litres of Whiskey
- 810,875 crackers

And it's not just a cookie and a cuppa that's a match made in heaven, so too is the airline's continued focus on sustainability.

Last year, the airline announced four world-leading innovators have partnered with Air New Zealand to work on Mission Next Gen Aircraft to deliver the airline's first zero emissions demonstrator flight in 2026.

It was a busy year, especially for the airline's cargo operation, with Air New Zealand carrying 114,000 tonnes of cargo across our international and domestic networks.

This includes:

- 13,250 tonnes of fresh produce (largest quantities being capsicums, blueberries, cherries, avocados, tomatoes)
- 5,800 tonnes of chilled meat (lamb, beef, chicken)
- 3,100 tonnes of chilled salmon
- 1,400 tonnes of lobster
- 5,700 tonnes of other seafood (fish, clams, tuna, mussels, oysters)

Air New Zealand helped transport 11,234 pets domestically and internationally last year. And not just the furry kind but birds, guinea pigs, lizards, rabbits, reptiles and even a frog and a turtle.

Last year Air New Zealand also welcomed back five of its Boeing 777s and introduced two new A321neos into its fleet, adding an extra 100,000 seats per aircraft adding more capacity to its domestic network.

To keep aircraft running smoothly, the Engineering and Maintenance team conducted 60 heavy maintenance checks in Christchurch, 130 A checks in Auckland (a calendar-based inspection process where technicians change filters, check, and lubricate critical systems) and there were 3,900 overnight light maintenance works carried out.

Chief Customer and Sales Officer Leanne Geraghty says 2022 was an incredibly busy year with the border reopening. The airline restarted 24 international services - 14 of those across a 16-day period – and launched its new flagship service, NZ1, to New York.

# Monthly **investor update**



"I'm incredibly proud of the Air New Zealand team of 10,500, including the 2,200 new employees we brought on board throughout 2022 and all that's been achieved last year."

Things are certainly looking up for 2023 and we're looking forward to carrying more customers, continuing to relocate native wildlife, transporting cargo, launching our winter route to Bali and everything in between!"

## Air New Zealand announces more flights to Shanghai

24 January 2023

- Additional flight to Shanghai from 4 February, bringing seat capacity to 1,200 a week
- Total of six flights per week (4 passenger and 2 cargo-only)
- Airline exporting 500 tonnes of NZ cherries for Lunar New Year festivities
- Pre-Covid, 390,000 arrivals from China made it New Zealand's second biggest market by arrivals.

Air New Zealand is thrilled to announce an expansion of its flight offerings to Shanghai, China from New Zealand.

The airline increased its services to fly three times a week in early January and is moving to four passenger services a week from 4 February. This is double what Air New Zealand was flying at the end of last year. Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says the extra flight takes the weekly capacity to 1,200 seats.

"Ramping up with an additional flight per week provides our customers with even more options for travel to this vibrant city."

Shanghai is a city of contrasts, blending ancient Chinese culture with modern, cosmopolitan energy. As the commercial and financial centre of China, Shanghai offers travellers a wealth of opportunities to experience everything from traditional markets and temples to cutting-edge architecture and luxury shopping.

Following the announcement of China reopening after nearly three years of restrictions, the airline has seen many people booking Shanghai flights to be with friends and family this Chinese New Year.

"This will be the first Lunar New Year that Chinese living in Aotearoa can be reunited with their families for this special holiday," says Ms Geraghty.

"We're seeing very strong demand across January for our flights into China. Most flights are full or close to full."

New Zealand has long been a popular destination for Chinese travellers. Around 390,000 Chinese visited New Zealand in 2019, according to Tourism New Zealand. China was New Zealand's second largest market by arrivals before Covid, comprising 11% of total arrivals. Chinese visitors spent \$1.7 billion in 2019 – of which, \$333 million was spent in the regions.

"With the addition of these new flights, we hope to make it even easier for New Zealanders to experience all that Shanghai has to offer and tap into the pent-up demand of Chinese tourists into New Zealand."

All flights between Shanghai and Auckland will be operated on Boeing 787 and will offer our customers the highest level of comfort and service. Customers can book their flights now by booking online or via their travel partner.

## Cherry pick of the crop to China

In addition to families and friends, Air New Zealand's cherry cargo is also making Lunar New Year celebrations a little sweeter with two cargo-only flights a week.

"Premium Central Otago cherries from New Zealand are a highly sought-after luxury gift across Asia during Chinese New Year. We're flying around 500 tonnes of cherries to Shanghai and Taipei ahead of the Lunar New Year," says Ms Geraghty.

# Monthly **investor update**



"New Zealand seafood is also in high demand. We're transporting around 350 tonnes of fresh New Zealand seafood to Shanghai in time for the festivities."

The two cargo-only flights are in addition to the four passenger flights Air New Zealand will operate from 4 February – for a total of six flights.

Air New Zealand has operated to China throughout Covid, taking New Zealand exports to market and bringing in vital supplies.

**Air New Zealand and Trees That Count celebrate one year of partnership**

**20 January 2023**

12 months, almost 200,000 native trees, and one tree-mendous partnership later, Air New Zealand and Trees That Count are thrilled to celebrate their first year of partnership through the airline's FlyNeutral programme.

FlyNeutral enables customers to offset their share of a flight's carbon emissions with carbon credits from international projects, as well as help support improving in New Zealand's native biodiversity through [Trees That Count](#).

Air New Zealand Chief Sustainability Officer Kiri Hannifin said the airline is incredibly proud to partner with Trees that Count to help restore, regenerate, and protect our precious natural environment.

"Trees That Count is a shining example of a charity using an innovative platform to direct support and funding to native tree planting projects."

While celebrating one year of partnership is a special moment for the airline, there are others involved who should be feeling very proud about the impact they are making.

"It's our customers who should be feeling proud, as they're the ones who opt in to our FlyNeutral programme every day and help us in our work to support a greener country."

"With your support, we are Trees That Count's number one funding contributor and are about to hit the 200,000 native tree milestone – that's a pretty incredible effort. Ka pai Aotearoa!"

"We want to thank Trees That Count for their dedication to supporting Aotearoa's biodiversity and for their partnership over the last year. We look forward to continuing to enable our customers to support their efforts to plant more native trees around our beautiful country".

Robyn Haugh, CEO of Project Crimson Trust (which operates Trees That Count), is delighted to be celebrating the milestone with Air New Zealand.

"With the help of Air New Zealand and FlyNeutral customers, we've been able to support incredible restoration work by planters all around Aotearoa. Every native tree planted by projects we support - from Kaipara Moana in the north to Whakatipu Reforestation Trust in the south - helps to make a real difference for our whenua and our future."

When a customer opts in to FlyNeutral, 50% of their contribution is directed to [Trees That Count](#). The other 50% of a customer's contribution is used to purchase carbon credits to offset the emissions of their flight. Carbon credits are purchased from certified international projects that prevent carbon from entering the atmosphere. Customers can contribute to Trees That Count through FlyNeutral when they book a flight, or at any time afterwards.

Find out more about Air New Zealand's contribution and what native restoration projects have been supported around New Zealand [here](#).