

2022 Annual Shareholder Meeting

22 September 2022



Dame Therese Walsh

CHAIR

Board of Directors



Dame Therese Walsh

CHAIR



Dean Bracewell



Claudia Batten



Laurissa Cooney



Larry De Shon



Alison Gerry




Jonathan Mason



Paul Goulter

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 Notice of Meeting

 Annual Report

Agenda

- Chair's address
- CEO's address
- Questions on 2022 performance
- Committee Chair's address
- Resolutions and voting
- General questions



2022 marked the start of our recovery, with the airline now firmly in the revive phase



1

Survive

Safeguarding our balance sheet

- Structural reductions to cost base and deferral of capital spend
- Early retirement of 777-200 fleet and temporary grounding of 777-300ER fleet
- Utilisation of Government support mechanisms
- Cargo diversification
- Kia Mau strategy refinement

2

Revive

Restarting our network

- Reopening of our international borders
- Strongest demand and revenue environment in two years
- \$2.2 billion recapitalisation complete
- Hiring and rehiring staff, reinstating benefits
- Launching a stream of customer innovations
- Reanimating 777-300ER fleet, international lounges and offshore teams
- Launch of our decarbonisation roadmap
- Movement to agile ways of working

3

Thrive

Delivering our full potential

- Enhanced domestic offering
- Optimised international network
- Supercharged loyalty programme
- Continued customer obsession
- Industry leading staff engagement
- Digital investments driving efficiencies and seamless customer experience
- Continued progress on our decarbonisation ambitions
- Return to profitability

Key financial and operational metrics for FY22 continued to be impacted by Covid-19



(\$725)million
loss¹



(\$810)million
loss before taxation



(\$591)million
net loss after taxation



\$2.7 billion
operating revenue



8 million passengers flying
on our network compared to 18 million pre-Covid



\$1 billion
cargo revenue²



56%
of pre-Covid capacity³
by Q4 FY22



\$2.4 billion
available liquidity
AS AT 20 SEP 2022

¹ Refers to losses before other significant items and taxation. For further information, please refer to the 2022 Annual Financial Results

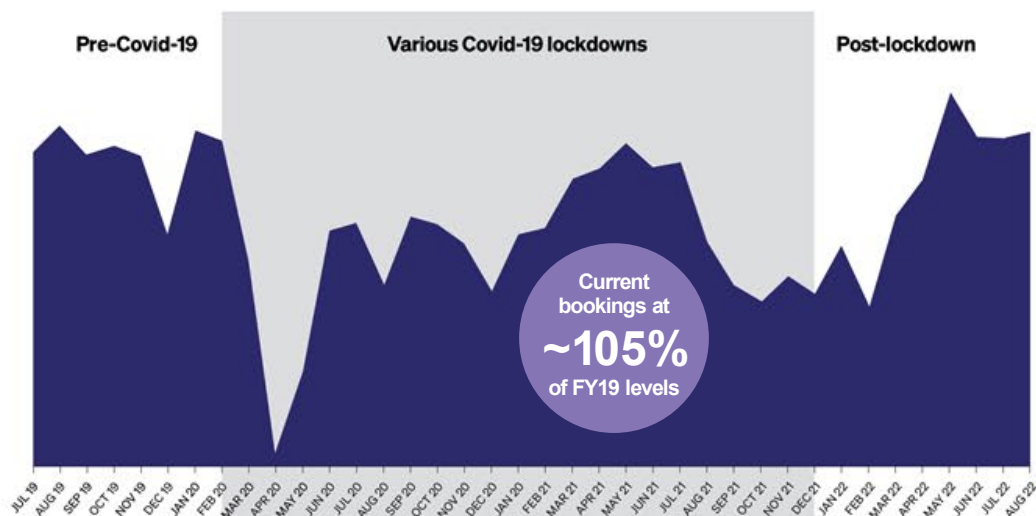
² Government supported cargo flying contributed \$403 million to cargo revenue in FY22

³ This represents total FY22 capacity including cargo-only flying as a percentage of FY19 capacity. FY19 excludes the now suspended Auckland-London service

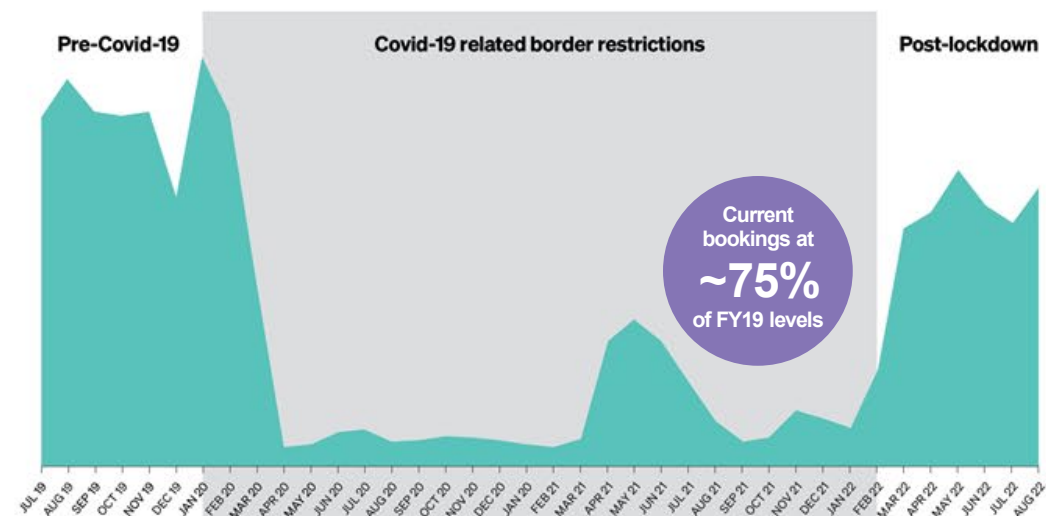
However the phased border re-openings have led to a strong demand environment



Domestic average weekly passenger bookings



International average weekly passenger bookings



We have faced operational headwinds as we rebuild our network to support demand, and continue to address these



Headwinds



Tight labour market



High levels of staff illness



Weather events

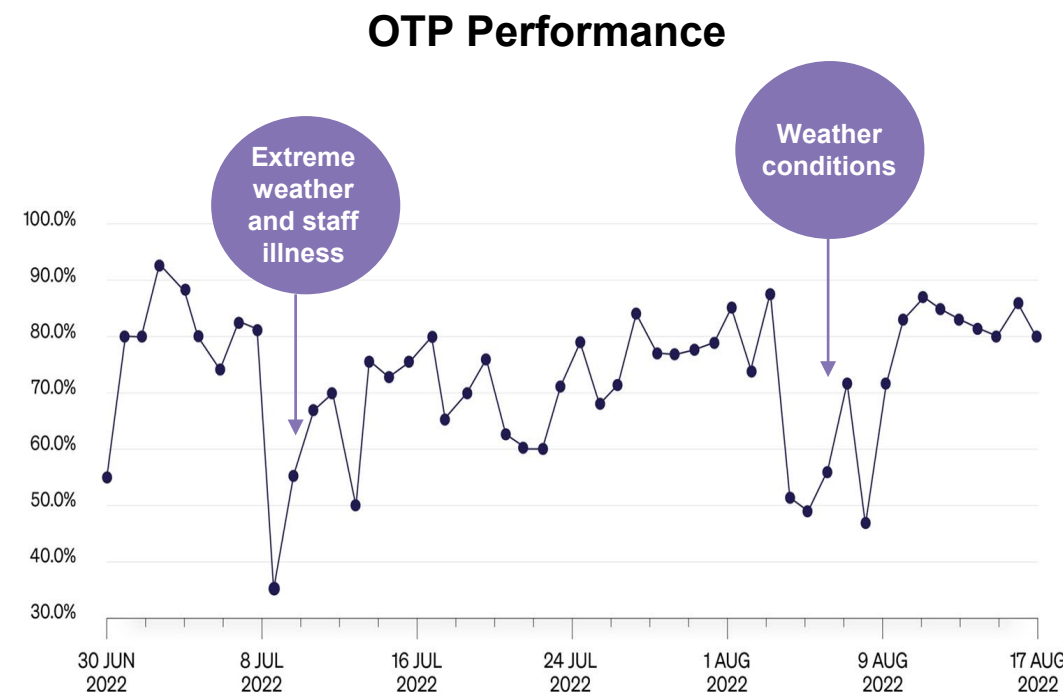


Record high fuel prices and cost pressures

Air New Zealand actions

- Proactive capacity reductions to ensure greater schedule reliability
- Large scale recruitment, training new staff at pace
- Lifting our lowest wages and settling 14 collective employment agreements
- Development of digital tools
- Fuel hedging and yield management

Impact on operations



But we are proud of what our people have achieved despite these challenges



#1

World's safest airline¹

#1

Corporate Reputation for eight consecutive years²

\$2.2 billion

Recapitalisation complete

2030

Science based emissions reduction target validated

Worksafe award

Leadership in response to Covid-19

14

Collective agreements settled with the unions

#1

Air Cargo Carrier – Oceania for the second year³

Flight NZ0

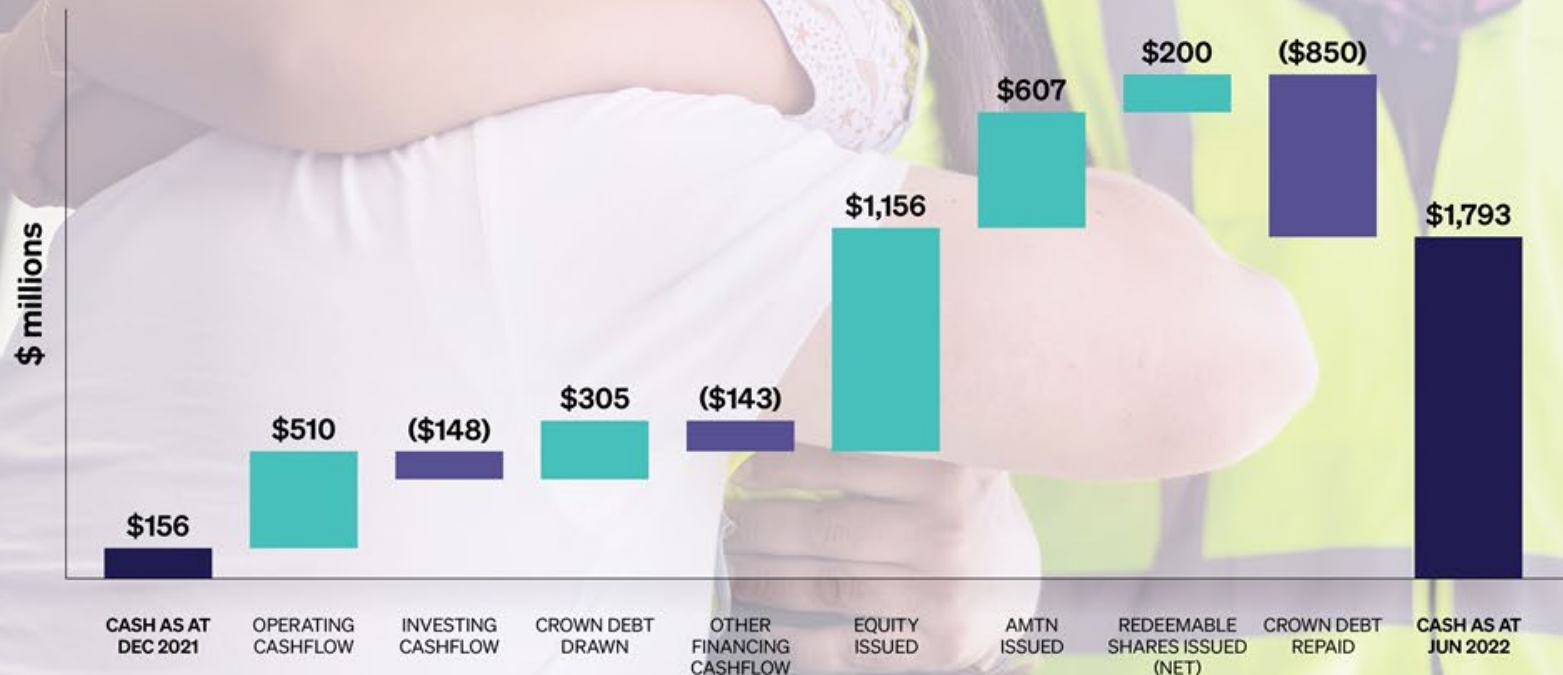
launched to guide us on our journey to net zero carbon emissions

¹ Awarded in FY22 by AirlineRatings.com

² Kantar Corporate Reputation Index 2022

³ Awarded at the AFLAS (Asian Freight, Logistics and Supply Chain) Awards

The \$2.2 billion recapitalisation was a significant step in refuelling the airline for recovery



Gearing¹ (%)



Net Debt¹ (\$ BILLIONS)



Equity¹ (\$ BILLIONS)



¹ As at 30 June

We remain focused on financial resilience and returning the airline to profitability before consideration of distributions



¹ Refers to Debt to EBITDASA metric. EBITDASA is defined as Operating earnings (before depreciation and amortisation, net finance costs, associate earnings, other significant items and taxation) plus finance income and cash dividends received from associates less foreign exchange gains/losses

² See Air New Zealand's [distribution policy](#) for further details. Dividends are currently suspended

1H FY23 Outlook

Air New Zealand has continued to see strong forward sales over the first three months of the financial year, particularly for travel through to January 2023 and continues to operate approximately 70 percent of FY19 capacity.

On the basis that this forward sales strength continues over the coming quarter, with similar capacity and assuming an average jet fuel price of approximately US \$130/bbl, the airline currently expects earnings before taxation and other significant items for the first half of the 2023 financial year to be in the range of \$200 million to \$275 million.

The airline notes that fuel prices remain highly volatile and that this is one of many factors that have the potential to slow our recovery and significantly impact earnings. Additionally, demand in the second half of the financial year remains highly uncertain.

On this basis and taking into account global recessionary risks and other macroeconomic factors including inflationary pressures on costs, the airline is not providing full year guidance at this time. The airline strongly cautions against extrapolating first half FY23 earnings guidance to the full year given the many uncertainties in the trading environment.



Greg Foran

CHIEF EXECUTIVE OFFICER

We remain focussed on controlling what we can, and doing the right thing for our stakeholders



Rebuilding our network and restoring schedule reliability



Reanimating aircraft



Large scale recruitment drive and reinstating benefits



Sustainable cost structure and restoring profitability



Offering customers greater flexibility



Standing with our communities



In the near term, this means continuing to rebuild our operations and deliver exceptional customer experiences



Unveiling new products and services

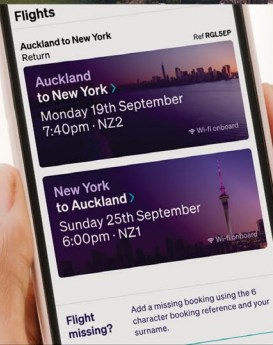
Enhancing our loyalty offering

Launching our New York route

Investments in the contact centre

Roll out of new app

Progressing our decarbonisation road map



Our strategic roadmap guides every decision we make

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






As we look forward, these decisions are driving us towards our full potential



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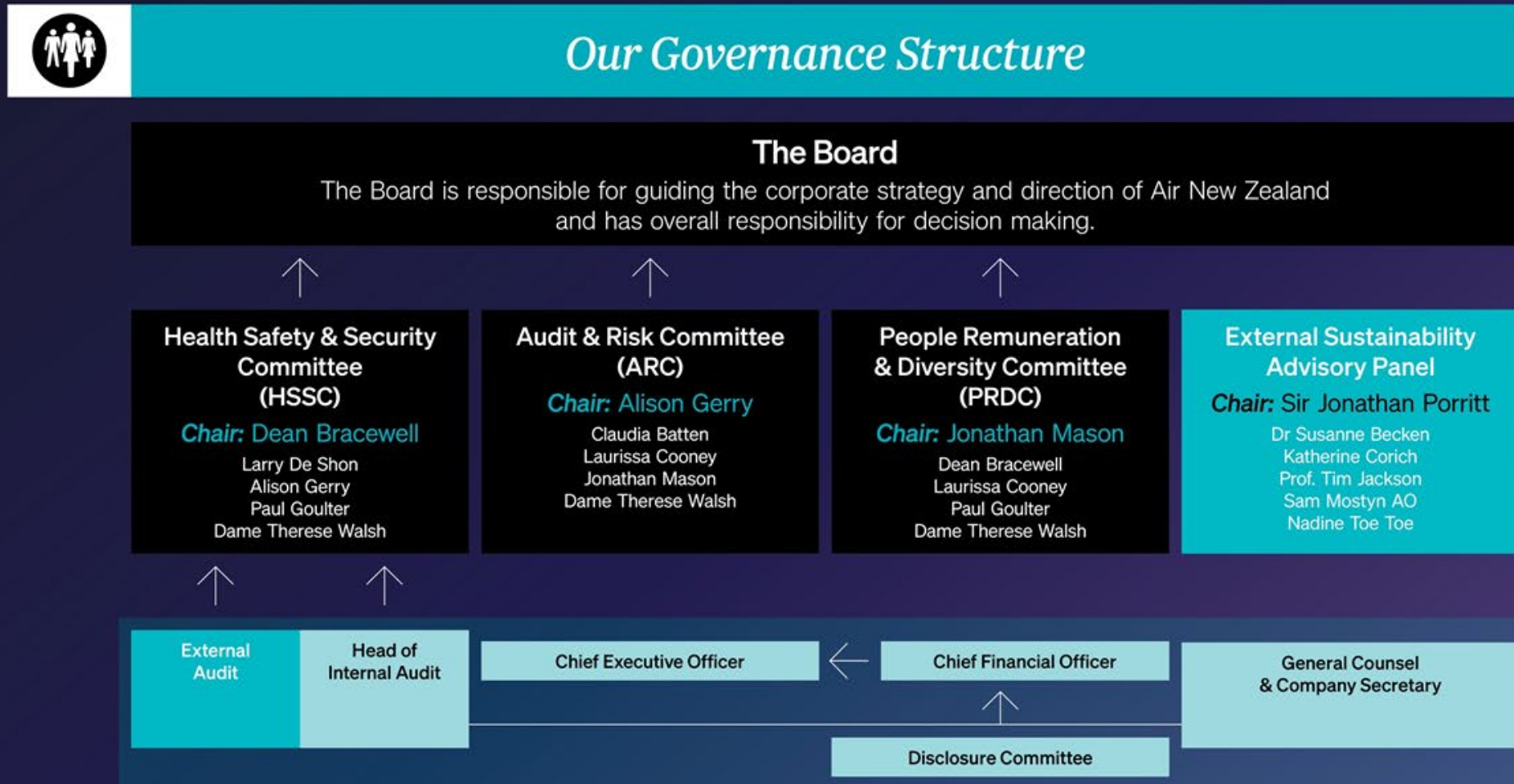
Thank you

A STAR ALLIANCE MEMBER 

Questions on FY22 performance



Update from our Committee chairs





Dean Bracewell

CHAIR — HEALTH SAFETY & SECURITY COMMITTEE



Alison Gerry

CHAIR — AUDIT AND RISK COMMITTEE



Jonathan Mason

CHAIR — PEOPLE REMUNERATION AND DIVERSITY COMMITTEE

Resolutions for voting

- Resolution 1: To re-elect Dame Therese Walsh
- Resolution 2: To re-elect Jonathan Mason
- Resolution 3: To ratify the entry into and performance by the Company of the Amended Crown Loan Facility
- Resolution 4: To ratify the entry into and performance by the Company of the New Crown Loan Facility





Proxies and postal votes received

(as at 21 September 2021)

| | Proxy votes | | | |
|--|-------------|-----------|-----------|------------|
| | For | Against | Abstain | Discretion |
| <u>Resolution 1:</u> <i>Re-election of</i> Dame Therese Walsh | 280,934,932 | 7,420,513 | 2,761,635 | 5,084,173 |
| <u>Resolution 2:</u> <i>Re-election of</i> Jonathan Mason | 278,711,426 | 9,187,357 | 3,215,561 | 5,086,909 |
| <u>Resolution 3:</u> <i>To Ratify</i> Amended Crown Loan Facility | 288,398,023 | 1,181,808 | 1,517,487 | 5,103,934 |
| <u>Resolution 4:</u> <i>To Ratify</i> New Crown Loan Facility | 288,057,154 | 1,217,528 | 1,826,113 | 5,100,457 |

| Postal votes | | |
|---------------|---------|---------|
| For | Against | Abstain |
| 1,722,470,458 | 467,832 | 113,527 |
| 1,722,472,365 | 457,572 | 121,880 |
| 1,722,676,404 | 223,923 | 151,490 |
| 1,722,622,554 | 274,773 | 154,490 |



RESOLUTION 1:

To re-elect



Dame Therese Walsh



RESOLUTION 2:

To re-elect



Jonathan Mason



RESOLUTION 3:

TO RATIFY the entry into and
performance by the Company of the
Amended Crown Loan Facility



RESOLUTION 4:

TO RATIFY the entry into and
performance by the Company of the
New Crown Loan Facility

General questions





Thank you

A STAR ALLIANCE MEMBER 