

# Monthly *investor update*



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22 September 2022

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## August 2022 highlights

Group traffic summary	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% *+	2019 ^	% *++
Passengers carried (000)	1,096	503	117.8%	1,293	(15.2%)	2,363	1,578	52.2%	2,712	(15.8%)
Revenue Passenger Kilometres(m)	1,715	355	383.3%	2,829	(39.4%)	3,623	1,203	206.2%	6,012	(41.8%)
Available Seat Kilometres (m)	2,000	564	254.3%	3,414	(41.4%)	4,169	1,761	140.8%	7,224	(44.2%)
Passenger Load Factor (%)	85.8%	62.9%	22.9 pts	82.9%	2.9 pts	86.9%	68.3%	18.6 pts	83.2%	3.7 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	5.1%	49.0%	4.6%	50.0%
Short Haul	12.7%	31.3%	12.5%	31.8%
Long Haul	90.3%	40.1%	88.2%	42.6%

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.

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^ 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.

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## Operating statistics table

Group	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% **	2019 ^	% **+
Passengers carried (000)	1,096	503	117.8%	1,293	(15.2%)	2,363	1,578	52.2%	2,712	(15.8%)
Revenue Passenger Kilometres(m)	1,715	355	383.3%	2,829	(39.4%)	3,623	1,203	206.2%	6,012	(41.8%)
Available Seat Kilometres (m)	2,000	564	254.3%	3,414	(41.4%)	4,169	1,761	140.8%	7,224	(44.2%)
Passenger Load Factor (%)	85.8%	62.9%	22.9 pts	82.9%	2.9 pts	86.9%	68.3%	18.6 pts	83.2%	3.7 pts

Short Haul Total	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% **	2019 ^	% **+
Passengers carried (000)	1,025	499	105.3%	1,117	(8.2%)	2,217	1,570	43.7%	2,339	(8.4%)
Revenue Passenger Kilometres(m)	1,024	315	224.7%	1,167	(12.3%)	2,206	1,115	101.2%	2,476	(13.9%)
Available Seat Kilometres (m)	1,205	441	173.5%	1,432	(15.8%)	2,566	1,502	73.7%	3,055	(18.9%)
Passenger Load Factor (%)	84.9%	71.5%	13.4 pts	81.5%	3.4 pts	86.0%	74.2%	11.8 pts	81.0%	5.0 pts

Domestic	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% **	2019 ^	% **+
Passengers carried (000)	789	478	65.0%	830	(5.0%)	1,716	1,456	19.8%	1,722	(3.7%)
Revenue Passenger Kilometres(m)	411	252	63.2%	426	(3.6%)	898	779	17.3%	887	(2.2%)
Available Seat Kilometres (m)	484	336	44.0%	530	(8.7%)	1,034	980	7.2%	1,099	(9.1%)
Passenger Load Factor (%)	84.9%	74.9%	10.0 pts	80.4%	4.5 pts	86.9%	79.5%	7.4 pts	80.7%	6.2 pts

Tasman / Pacific	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% **	2019 ^	% **+
Passengers carried (000)	236	21	1020.8%	286	(17.6%)	502	114	348.8%	617	(21.4%)
Revenue Passenger Kilometres(m)	613	63	865.0%	740	(17.3%)	1,308	336	295.8%	1,589	(20.5%)
Available Seat Kilometres (m)	722	105	589.2%	902	(20.0%)	1,532	522	198.6%	1,956	(24.3%)
Passenger Load Factor (%)	84.9%	60.6%	24.3 pts	82.1%	2.8 pts	85.3%	64.4%	20.9 pts	81.2%	4.1 pts

Long Haul Total	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% **	2019 ^	% **+
Passengers carried (000)	71	4	1704.6%	176	(59.7%)	145	9	1587.8%	374	(62.4%)
Revenue Passenger Kilometres(m)	692	40	1642.2%	1,662	(58.4%)	1,417	88	1528.8%	3,536	(61.3%)
Available Seat Kilometres (m)	794	124	542.2%	1,981	(59.9%)	1,603	258	530.8%	4,169	(62.9%)
Passenger Load Factor (%)	87.1%	32.1%	55.0 pts	83.9%	3.2 pts	88.4%	34.2%	54.2 pts	84.8%	3.6 pts

Asia	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% **	2019 ^	% **+
Passengers carried (000)	28	1	2560.7%	74	(62.4%)	58	2	2381.4%	149	(62.3%)
Revenue Passenger Kilometres(m)	243	9	2458.9%	638	(61.9%)	509	22	2286.0%	1,286	(61.8%)
Available Seat Kilometres (m)	295	77	281.4%	777	(62.1%)	620	157	301.8%	1,554	(61.4%)
Passenger Load Factor (%)	82.4%	12.3%	70.1 pts	82.0%	0.4 pts	82.0%	13.8%	68.2 pts	82.8%	(0.8 pts)

Americas / UK	AUGUST					FINANCIAL YTD				
	2022	2021	% *	2018 ^	% *	2023	2022	% **	2019 ^	% **+
Passengers carried (000)	43	3	1394.6%	102	(57.8%)	87	6	1291.0%	225	(62.5%)
Revenue Passenger Kilometres(m)	449	30	1385.7%	1,025	(56.2%)	908	67	1282.9%	2,250	(61.0%)
Available Seat Kilometres (m)	499	46	976.6%	1,204	(58.5%)	983	101	885.2%	2,615	(63.7%)
Passenger Load Factor (%)	89.9%	65.1%	24.8 pts	85.1%	4.8 pts	92.4%	65.8%	26.6 pts	86.0%	6.4 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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^ 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 8 September 2022 to 21 September 2022)

### [Air New Zealand provides half year earnings guidance for FY23](#)

21 September 2022

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.

### [Air New Zealand updates start date of Chief Sustainability](#)

20 September 2022

On 7 June 2022, Air New Zealand confirmed the appointment of Chief Sustainability Officer, Kiri Hannifin, who was to start on 5 December 2022.

Air New Zealand is pleased to announce that Kiri will be starting earlier than originally anticipated, joining the airline on 7 November 2022.

This announcement is made pursuant to Listing rule 3.20.1

### [Air New Zealand responds to media speculation](#)

16 September 2022

Air New Zealand confirms that it has not been approached, and is not in discussions with any parties, regarding a potential merger transaction.

Air New Zealand remains in compliance with its NZX continuous disclosure obligations.



## Media Releases

(during the period 8 September 2022 to 21 September 2022)

### Air New Zealand touches down in the Big Apple

17 September 2022

Air New Zealand touched down at John F. Kennedy International Airport today, marking the first of its non-stop flights connecting the city of sails and the city that never sleeps.

Minister of Tourism for New Zealand Hon Stuart Nash, Chair Dame Therese Walsh and Air New Zealand Chief Executive Officer Greg Foran were onboard the inaugural flight, along with key tourism and travel partners. Foran says the introduction of a non-stop service between Auckland and New York connects his two favorite places.

"As one of the world's greatest cities, Air New Zealand is proud to add the Big Apple to its list of 29 international destinations. By adding greater access to the East Coast of the US, we're connecting our North American customers to the possibilities of 20 destinations within New Zealand as well as the Pacific and Australia, all within easy reach. This is terrific for our customers."

Air New Zealand now serves seven destinations in North America – Chicago (from 31 October), Honolulu, Houston, Los Angeles, San Francisco, Vancouver and (after much anticipation), New York City.

### More time and flexibility to use Air New Zealand credits

16 September 2022

All customers who have a credit as of 30 September 2022 now have until 31 January 2024 to book a new flight and until 31 December 2024 to take that flight. For most customers that is an extension of another 12 months.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says this will be good news for around 500,000 customers who currently hold a credit with the airline.

"We know these customers are eager to travel, and this extension means they now have more than two years to do so.

"A significant portion of credit balances were due to expire in January 2023 but given New Zealand's border has only fully reopened in the last couple of months, we think it's the right thing to do to extend the expiry of credits given customers haven't had many opportunities to use them."

Ms Geraghty says with high demand for flights and limited capacity on the network, this extension gives customers more time to book early to take advantage of lower fares.

"By the end of October, we will have all 29 international ports up and running including our new service to New York, and over the New Zealand summer, we'll be back at 80% of our pre-Covid international capacity. This opens up more choice for customers on when and where they fly."

There is no need to call the contact centre as the airline will be emailing those customers who hold credits to let them know about the good news over the coming week. Customers who booked through a third party should contact them for more information.

Any new credits issued from 1 October 2022 will have a 12-month expiry date to book new flights and a further 12 months to travel.

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## Air New Zealand to welcome first shipment of Sustainable Aviation Fuel into Aotearoa

15 September 2022

Air New Zealand will reach its next stop on its Flight NZ0 journey and will next week welcome the first of many shipments of Sustainable Aviation Fuel (SAF) into Aotearoa ready to power the airline's fleet.

The 1.2 million litre import is equivalent to fueling around 400 return flights between Auckland and Wellington and in its neat form will reduce lifecycle carbon emissions by up to 80%\* compared to fossil jet fuel.

Produced by the world's largest SAF supplier, Neste, and imported in partnership with Z Energy, this first shipment will be used to help test and set up the supply chain for importing SAF into New Zealand. The SAF is made from sustainably sourced, renewable waste and residue raw materials.

As SAF is a drop in fuel it will be put into the fuel system at Marsden Point upon arrival, where it will make its way down to Auckland airport and will be delivered to Air New Zealand through the regular jet fuel supply chain.

Air New Zealand Chief Executive Officer Greg Foran says the airline is incredibly committed to getting the Air New Zealand fleet up and running on SAF and this shipment marks the beginning of making regular imports a reality.

"This is a major milestone for us. We made a commitment when we announced Flight NZ0 earlier this year to find a more sustainable way to connect with the world. Air New Zealand is already one of the most fuel-efficient airlines in the world with our modern fleet, but the future of travel relies on low-carbon air transport.

"While we are starting out small, it will help us to test the supply chain and understand the true cost of importing SAF into New Zealand. Currently, SAF only makes up less than 1 percent of the global fuel supply and is around three to five times the cost of fossil jet fuel, so while sourcing it is a challenge, it's one we are tackling head on. By 2030, we expect our fleet to be fueled by 10 percent SAF."

Air New Zealand and the Ministry of Business, Innovation and Employment signed an MoU in September last year to scope the feasibility of a local SAF facility in New Zealand. Commercially producing SAF in New Zealand would not only help lower the country's emissions and provide enhanced fuel security and energy independence, it would also create jobs and economic development in the regions.

The airline continues to actively engage with the New Zealand Government to advocate for the policy and regulatory settings required to establish a SAF market and address the price premium SAF commands.

Research, Science and Innovation Minister Dr Ayesha Verrall says the Government is working with the aviation sector to explore ways of reducing carbon emissions.

"Air New Zealand has constantly led the way by embracing innovation, we need new solutions as we transition to a low-emissions economy. This is why it's encouraging to see the import of SAF. This complements our other work as the Government is currently investigating the feasibility of SAF production in New Zealand. Air New Zealand's work on SAF will also support the Government's Aerospace Strategy, recently released for consultation".

Sami Jauhainen, Vice President APAC, Renewable Aviation at Neste says Neste is fully committed to supporting the decarbonization of aviation.

"Neste has been at the forefront of accelerating the production and use of SAF. Our Neste MY Sustainable Aviation Fuel is used across the globe by a growing number of airlines, and I am excited that our SAF will now also be supplied to Air New Zealand in cooperation with Z Energy.



“We are proud to support Air New Zealand and the New Zealand Government with the ambitious climate goals that show a great example for others to follow. With the expansion of our Singapore refinery nearing completion, and the ongoing modification of our Rotterdam refinery, we will be able to produce up to 1.5 million tons of SAF by the end of 2023, ready to support aviation globally and in the Asia-Pacific region.”

Import partner Z Energy’s Chief Executive Officer Mike Bennetts says Z is already investing in low-carbon revenue streams that are better for both their customers and the planet.

“We support and recognise the need for SAF to become the norm in Aotearoa and it is a key part of Z’s roadmap to support our customers on their journey to a low-carbon future. We are pleased to work alongside Air New Zealand and Neste to bring this shipment of SAF into the country and recognise collaboration with others will be essential to help us decarbonise at the scale and pace needed to address climate change.”

\* Calculated with established life cycle assessment (LCA) methodologies, such as CORSIA methodology.

## **Air New Zealand takes NASA climate science mission to new heights**

**13 September 2022**

Air New Zealand's daily operations are now helping to enable new research into climate change, with a ground-breaking approach to collecting data for the global scientific community. In a world-first, Air New Zealand flight NZ8844 took off this morning from Christchurch to Nelson carrying a NASA next-generation satellite receiver.

Using direct and reflected GPS and Galileo signals, the Global Navigation Satellite System (GNSS) receiver will collect unique environmental data to better predict storms and enable new climate change research.

Air New Zealand is the first passenger airline in the world to join a NASA earth mission, working together since 2020 on the design, installation and certification of the receiver onboard one of its Q300 aircraft.

Air New Zealand Chief Operational Integrity and Safety Officer Captain David Morgan says climate change is a shared challenge and the airline does not shy away from its responsibilities to address it.

"With a network stretching from Kerikeri to Invercargill and flying at an altitude of around 16,000 feet, the Q300 was the perfect aircraft to pilot this mission."

"Flying much closer to the land and sea than NASA's satellites, our aircraft can collect a daily feed of high-resolution, high-quality data, with significant potential for the science community."

The University of Auckland has established a Science Payload Operations Centre to receive and process the data in what could become New Zealand's largest source of environmental data. Project Lead, Professor Delwyn Moller, says the collaboration will put Kiwi scientists at the forefront of this emerging field.

"The data produced by this collaboration will be made publicly available, opening up a range of research possibilities, with many potential uses – from flood risk management to agriculture and resource planning.

"Air New Zealand's commitment to the project's success will hopefully inspire other airlines around the world to use their own aircraft for the benefit of science."

The data collected in flight will also feed into NASA's Cyclone Global Navigation Satellite System (CYGNSS). Dr Will McCarty, NASA's CYGNSS Program Scientist in the agency's Earth Science Division, says the data from Air New Zealand flights will extend the CYGNSS mission to monitor environmental changes over land.

"CYGNSS bounces GPS signals off the ocean to measure wind speeds to help predict hurricanes and cyclones. Over land, the technology can determine soil moisture levels, so it can also monitor climate change indicators such as drought, flooding and coastline erosion.

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"The receiver that Air New Zealand is flying has advanced capabilities with the potential to be used for future space bound missions, so we're excited to test these out."

The project to fly a next-generation GNSS-R receiver on Air New Zealand's aircraft to advance earth observation has been gifted the name Rongowai, combining the Māori words rongo (to sense) and wai (water).