



## Contents

- September 2023 traffic highlights and commentary
- Operating statistics table
- Recent market announcements

### **September 2023 Commentary**

- The overall increase in Group capacity was largely driven by the resumption of the international network following the full re-opening of New Zealand's borders post-Covid. Long-haul international ASK's increased 94%, short-haul international ASKs increased 20.3%, and domestic ASKs were broadly flat compared to the same period last year.
- The decline in Group YTD RASK compared to the prior year was driven by the significant mix change for the 2024 financial year to date, whereby long-haul capacity growth and load factors were substantially higher relative to short-haul.
- Short-haul YTD RASK, which includes the Domestic, Tasman and Pacific islands networks declined 1.9% compared to last year. This was driven by a Tasman and Pacific islands YTD RASK decline, offset by a small increase in Domestic YTD RASK.
- Long-haul YTD RASK declined 11.9% driven primarily by some North American routes with a small decrease on Asian routes.



## September 2023 highlights

Group traffic summary	SEPTEMBER			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% **
Passengers carried (000)	1,602	1,484	7.9%	4,138	3,847	8.7%
Revenue Passenger Kilometres(m)	3,334	2,406	38.5%	8,996	6,029	50.8%
Available Seat Kilometres (m)	4,029	2,729	47.7%	11,122	6,897	63.0%
Passenger Load Factor (%)	82.7%	88.2%	(5.5 pts)	80.9%	87.4%	(6.5 pts)

Year-to-date RASK <sup>1</sup>	% change in reported RASK (incl. FX)		% change in reported RASK (excl. FX)	
	vs 2023		vs 2023	
Group	(14.5%)		(14.7%)	
Short Haul	(1.9%)		(1.9%)	
Long Haul	(11.9%)		(12.4%)	

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 month 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 2022 (31 days) compared with July 2023 (30 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

<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	SEPTEMBER			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% **
Passengers carried (000)	1,602	1,484	7.9%	4,138	3,847	8.7%
Revenue Passenger Kilometres(m)	3,334	2,406	38.5%	8,996	6,029	50.8%
Available Seat Kilometres (m)	4,029	2,729	47.7%	11,122	6,897	63.0%
Passenger Load Factor (%)	82.7%	88.2%	(5.5 pts)	80.9%	87.4%	(6.5 pts)
<b>Short Haul Total</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>FY24</b>	<b>FY23</b>	<b>% *</b>	<b>2024</b>	<b>2023</b>	<b>% **</b>
Passengers carried (000)	1,412	1,379	2.4%	3,606	3,597	1.3%
Revenue Passenger Kilometres(m)	1,470	1,367	7.5%	3,804	3,572	7.6%
Available Seat Kilometres (m)	1,739	1,548	12.3%	4,703	4,114	15.6%
Passenger Load Factor (%)	84.5%	88.3%	(3.8 pts)	80.9%	86.8%	(5.9 pts)
<b>Domestic</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>FY24</b>	<b>FY23</b>	<b>% *</b>	<b>2024</b>	<b>2023</b>	<b>% **</b>
Passengers carried (000)	1,051	1,066	(1.4%)	2,662	2,781	(3.3%)
Revenue Passenger Kilometres(m)	540	549	(1.6%)	1,374	1,447	(4.0%)
Available Seat Kilometres (m)	631	627	0.7%	1,699	1,661	3.4%
Passenger Load Factor (%)	85.5%	87.5%	(2.0 pts)	80.9%	87.1%	(6.2 pts)
<b>Tasman / Pacific</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>FY24</b>	<b>FY23</b>	<b>% *</b>	<b>2024</b>	<b>2023</b>	<b>% **</b>
Passengers carried (000)	361	313	15.1%	944	815	17.0%
Revenue Passenger Kilometres(m)	930	818	13.7%	2,430	2,125	15.6%
Available Seat Kilometres (m)	1,108	921	20.3%	3,004	2,453	23.8%
Passenger Load Factor (%)	83.9%	88.8%	(4.9 pts)	80.9%	86.6%	(5.7 pts)
<b>Long Haul Total</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>FY24</b>	<b>FY23</b>	<b>% *</b>	<b>2024</b>	<b>2023</b>	<b>% **</b>
Passengers carried (000)	190	105	81.0%	532	250	114.4%
Revenue Passenger Kilometres(m)	1,863	1,040	79.2%	5,191	2,457	113.6%
Available Seat Kilometres (m)	2,290	1,180	94.0%	6,419	2,784	133.1%
Passenger Load Factor (%)	81.4%	88.1%	(6.7 pts)	80.9%	88.3%	(7.4 pts)
<b>Asia</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>FY24</b>	<b>FY23</b>	<b>% *</b>	<b>2024</b>	<b>2023</b>	<b>% **</b>
Passengers carried (000)	100	40	148.9%	279	98	186.1%
Revenue Passenger Kilometres(m)	868	354	145.4%	2,408	862	182.2%
Available Seat Kilometres (m)	1,042	431	141.4%	2,955	1,052	183.9%
Passenger Load Factor (%)	83.3%	82.0%	1.3 pts	81.5%	82.0%	(0.5 pts)
<b>Americas</b>	<b>SEPTEMBER</b>			<b>FINANCIAL YTD</b>		
	<b>FY24</b>	<b>FY23</b>	<b>% *</b>	<b>2024</b>	<b>2023</b>	<b>% **</b>
Passengers carried (000)	90	65	38.8%	253	152	68.0%
Revenue Passenger Kilometres(m)	996	686	45.1%	2,784	1,594	76.5%
Available Seat Kilometres (m)	1,248	749	66.6%	3,464	1,732	102.2%
Passenger Load Factor (%)	79.8%	91.6%	(11.8 pts)	80.4%	92.1%	(11.7 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 2022 (31 days) compared with July 2023 (30 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

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 9 October 2023 to 29 October 2023)

[Air NZ provides half year earnings guidance for FY24](#)

12 October 2023

Air New Zealand is today providing initial earnings guidance for the first half of FY24 following the first three months of operating performance.

As noted at the airline's Annual Shareholders' Meeting on 26 September, customer demand remains solid across most markets, but recent softness in domestic travel, particularly corporate and government travel, has continued. Jet fuel prices and the weaker New Zealand dollar have also had an adverse impact on costs for much of the first financial quarter. Having increased by 35% from July to September, over the past week the jet fuel price has come down almost 10%, highlighting the on-going volatility of this critical input cost. Lastly, while the previously disclosed Pratt & Whitney engine issues are expected to have a noticeable impact on parts of Air New Zealand's flying schedule in the second half of FY24, the financial impact on the first half of FY24 is expected to remain nominal.

The economic environment continues to be uncertain and future performance may be impacted by a number of factors. These factors include increased international competition, volatile fuel prices, currency fluctuations and ongoing inflationary pressures.

In the context of the above factors, and assuming an average jet fuel price of US\$110/bbl for the remainder of the first half, the airline currently expects earnings before taxation for the first half of the 2024 financial year to be in the range of \$180 million to \$230 million.

The airline still holds approximately \$200 million in Covid related credits and continues to increase efforts to contact customers to raise awareness and increase redemption. The expiry date for those credits has recently been extended by two years until 31 January 2026 for booking travel through to 31 December 2026. Included within the above guidance range is approximately \$45 million of Covid related credits that are highly unlikely to be redeemed by the extended expiry date.

The airline cautions against extrapolating first half FY24 earnings guidance to the full year given the many and ongoing uncertainties in the trading environment.