

Results at a glance

June 2020

	30 June 2020 \$m	30 June 2019 \$m	Movement %
Financial Results			
Income	567.0	743.4	(23.7)
Operating expenses	306.6	188.6	62.6
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates and joint ventures (EBITDAFI)	260.4	554.8	(53.1)
Share of profit of associate and joint ventures	8.4	8.2	2.4
Investment property fair value increases	168.6	254.0	(33.6)
Property, plant and equipment revaluation movement	(45.9)	(3.8)	(1,107.9)
Impairment of investment in joint venture	(7.7)	–	–
Derivative fair value movement	(1.9)	(0.6)	(216.7)
Depreciation	112.7	102.2	10.3
Interest expense	71.8	78.5	(8.5)
Taxation expense	3.5	108.4	(96.8)
Reported profit after taxation	193.9	523.5	(63.0)
Earnings per share ¹	15.2 c	42.8 c	(64.5)
Underlying profit after taxation ²	188.5	274.7	(31.4)
Underlying earnings per share ¹	14.7 c	22.5 c	(34.7)
Dividends			
Total proposed dividend for the year (cents per share)	0.00 c	22.25 c	(100.0)
Total value of distributions for the year (\$ million)	–	269.1	(100.0)
Financial Position			
Shareholders' equity	6,637.1	6,032.9	10.0
Total assets	9,297.2	8,697.1	6.9
Debt to debt plus equity	24.4%	26.6%	
Debt to enterprise value ³	19.4%	15.5%	
Net debt to enterprise value ³	12.5%	15.3%	
Capital expenditure ⁴	370.8	284.1	30.5
Passenger and aircraft statistics – Auckland Airport			
International passenger movements including transits	8,473,946	11,517,988	(26.4)
Domestic passenger movements	7,047,108	9,593,625	(26.5)
Maximum certificated take-off weight (tonnes)	6,500,640	8,266,524	(21.4)
Aircraft Movements	139,137	178,771	(22.2)
Queenstown Airport performance⁵			
International passenger movements	583,219	655,950	(11.1)
Domestic passenger movements	1,287,072	1,665,397	(22.7)
Revenue	46.7	49.6	(5.8)
EBITDAFI	31.3	34.3	(8.7)
Profit after taxation	17.6	16.6	6.0

Note:

- 30 June 2019 earnings per share figures have been adjusted for the bonus element of the equity raise discount
- Excluding investment property fair value increases, property, plant and equipment and derivative revaluations in the company and its associates, fixed asset write-offs, impairments and termination costs and the tax effect of these adjustments
- Based on the share price as at 30 June 2020 of \$6.57 (30 June 2019 of \$9.85)
- Net capital expenditure additions after \$62.2m of capex write-offs and impairments in 2020
- From non-audited management accounts of Queenstown Airport. The financial results have not been apportioned for Auckland Airport's 24.99% minority interest in Queenstown Airport
- The above information is provided for general information purposes only and contains both audited and unaudited information, information from third parties and both GAAP and non-GAAP financial measures. No representations or warranties are made as to the accuracy or completeness of the above information and therefore it should be read in conjunction with, and is subject to, Auckland Airport's audited Annual Report for the year ended 30 June 2020, prior annual and interim reports and Auckland Airport's market releases on the NZX and ASX

▼
26.5%

Total passengers down
26.5% to 15,521,054

▼
53.1%

EBITDAFI down
53.1% to \$260.4m

Results at a glance

continued

Appendix A

Reconciliation between reported profit after tax and underlying profit after tax for the years ended 30 June 2020 and 2019:

	2020			2019		
	Reported profit \$M	Adjustments \$M	Underlying profit \$M	Reported profit \$M	Adjustments \$M	Underlying profit \$M
EBITDAFI per Income Statement¹	260.4	-	260.4	554.8	-	554.8
Investment property fair value increase	168.6	(168.6)	-	254.0	(254.0)	-
Property, plant and equipment revaluation	(45.9)	45.9	-	(3.8)	3.8	-
Fixed asset write- offs, impairments and termination costs	-	117.5	117.5	-	-	-
Derivative fair value movement	(1.9)	1.9	-	(0.6)	0.6	-
Share of profit of associates and joint ventures	8.4	0.8	9.2	8.2	-	8.2
Impairment of investment in joint venture	(7.7)	-	(7.7)	-	-	-
Depreciation	(112.7)	-	(112.7)	(102.2)	-	(102.2)
Interest expense and other finance costs	(71.8)	-	(71.8)	(78.5)	-	(78.5)
Taxation expense	(3.5)	(2.9)	(6.4)	(108.4)	0.8	(107.6)
Profit after tax	193.9	(5.4)	188.5	523.5	(248.8)	274.7

Note:

1. EBITDAFI includes \$117.5 million relating to fixed asset project write-offs, impairments and termination costs

We have made the following adjustments to show underlying profit after tax for the years ended 30 June 2020 and 2019:

- We have reversed out the impact of revaluations of investment property in 2020 and 2019. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy
- Consistent with the approach to revaluations of investment property, we have also reversed out the revaluation of the land, infrastructure, and runways, taxiways and aprons classes of assets within property, plant and equipment for the 2020 financial year and the building and services class of assets within property, plant and equipment for the 2019 financial year. The fair value changes in property, plant and equipment are less frequent than are investment property revaluations, which also makes comparisons between years difficult
- We have reversed out the impact of fixed asset project write-offs, impairments and termination costs for the 2020 financial year. In response to the COVID-19 outbreak, some capital expenditure projects were abandoned and fully written off and others were suspended. Some of these abandoned or suspended projects incurred contractor termination costs. The abandonment or suspension of live capital expenditure projects is extremely rare and is the direct consequence of COVID-19. These fixed asset write-off costs, impairments and termination costs are not considered to be an element of the group's normal business activities and on this basis have been excluded from underlying profit
- We have also reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting on foreign exchange hedges, as well as any ineffective valuation movements in other financial derivatives. The group holds its derivatives to maturity, so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18(b) of the financial statements
- In addition, we have adjusted the share of profit of associates and joint ventures in 2020 to reverse out the impacts on those profits from revaluations of investment property and financial derivatives
- We have also reversed out the taxation impacts of the above movements in both the 2020 and 2019 financial years



63.0%

Reported profit
after tax down
63.0% to \$193.9m



31.4%

Underlying profit
after tax down
31.4% to \$188.5m

