Auckland Airport

Interim Results Presentation

18 February 2021

Adrian Littlewood
Chief Executive

Philip Neutze
Chief Financial Officer

Important notice

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All currency amounts are expressed in New Zealand dollars unless otherwise stated and figures, including percentage movements, are subject to rounding.

Refer to page 33 for a glossary of the key terms used in this presentation.

Non-GAAP measures

This presentation contains references to non-GAAP measures including EBITDAFI, EBITDA and underlying profit or loss. A reconciliation between reported profit after tax and the non-GAAP measure of underlying profit or loss is included in the Appendix.

The directors and management of Auckland Airport understand the importance of reported profits meeting accounting standards. Because we comply with accounting standards, investors know that comparisons can be made with confidence between different companies and that there is integrity in our reporting approach. However, we believe that an underlying profit or loss measurement can also assist investors to understand what is happening in a business such as Auckland Airport, where revaluation changes can distort financial results or where one-off transactions, both positive and negative, can make it difficult to compare profits between years.

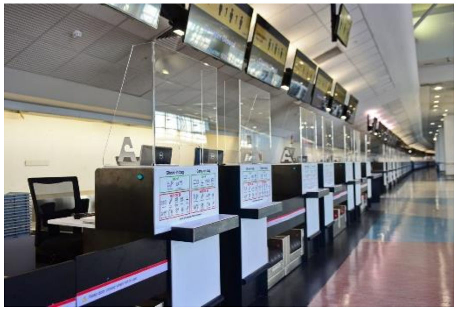
For several years, Auckland Airport has referred to underlying profit or loss alongside reported results. We do so when we report our results, but also when we give our market guidance (where we exclude fair value changes and other one-off items) or when we consider dividends and our policy to pay 100% of underlying profit after tax (excluding unrealised gains and losses arising from revaluation of property or treasury instruments and other one-off items).

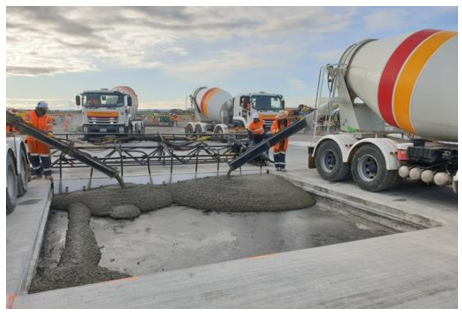
In referring to underlying profits or losses, we acknowledge our obligation to show investors how we have derived this result.

Highlights

The past 6 months have been a period of adjustment

We have responded to the demands of the COVID-19 environment while taking the opportunity to upgrade core infrastructure…



…and have prepared for a recovery in the business





Results at a glance

Revenue	Reported profit after tax	Passenger movements	Dividend
$131.5m	$28.1m	2.8m	0.0cps
-64.9%	-80.9%	-73.4%	
	Earnings per share 1.91 cps		

EBITDAFI	Underlying loss[1]	Aircraft movements	Capital investment[2]
$88.2m	$10.5m	44,737	$93.7m
-68.4%	-107.5%	-49.5%	-59.4%
	Loss per share 0.71 cps		

1. *Auckland Airport recognises EBITDAFI and underlying profit or loss are non-GAAP measures. A reconciliation between reported profit after tax and underlying loss after tax is included in the Appendix.*
2. *Net capital expenditure additions after $0.9m of capex impairments. Includes contributions to investments in Joint Ventures (Pullman). Excludes any impact from termination cost provisions*

Impact of travel restrictions felt across the business

Aeronautical

$40.3m revenue -73.5% ▼

Lower PAX reflecting COVID-19
-97.1% International
-94.0% Transits
-44.6% Domestic

Retail

$7.0m income -93.8% ▼

Majority of international retail closed
-40.0% International PSR
+8.5% Domestic PSR

Transport

$12.5m revenue -63.6% ▼

Lower activity reflecting COVID-19
-81.7% exits
-71.4% ARPS

Property

$47.0m revenue 2.4% ▲

Development momentum continues
$223m-plus under construction[3]
$2.41b portfolio valuation[4]
$116.0m rent roll
10.1 year WALT

Hotels

$13.8m revenue[5] -34.0% ▼

Travel restrictions impacted demand
49.2% average occupancy across both hotels[6]

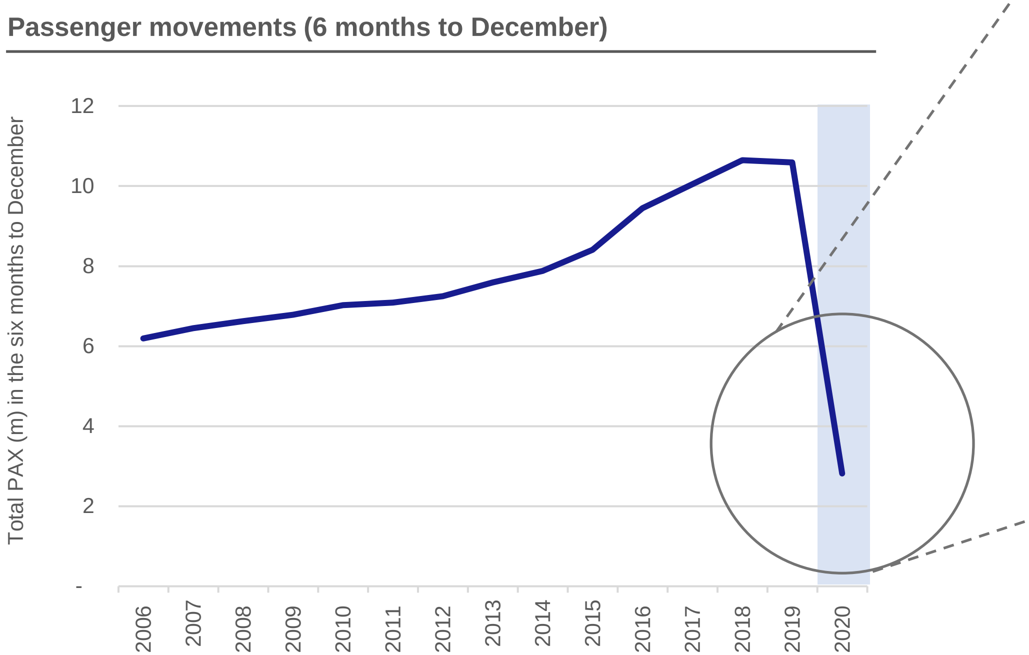
Queenstown

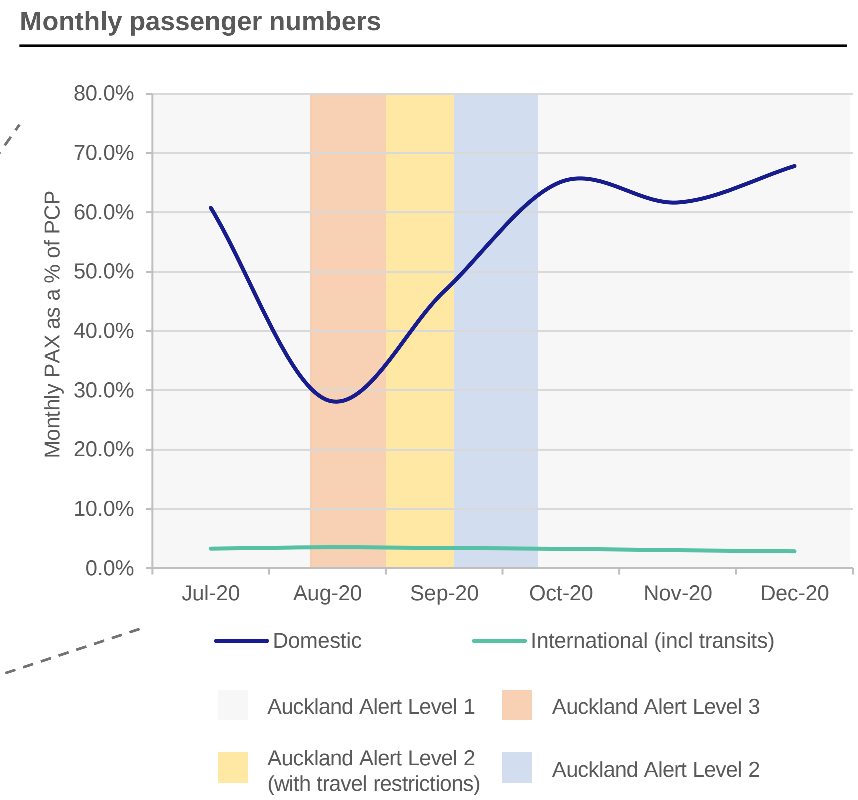
$13.6m revenue -53.3% ▼

PAX reductions owing to COVID-19
-100.0% International
-19.2% Domestic

3. *Estimated asset value on completion*
4. *Includes both IP and PPE assets managed by Property*
5. *Includes ibis Budget Hotel and 100% of Novotel Hotel revenues*
6. *The Novotel Hotel has been solely occupied by the Ministry of Health in the 6 months to 31 December 2020 as a managed isolation and quarantine facility*

Domestic recovering, but international effectively shut





Auckland Airport's PAX numbers have been resilient over the long-term, but COVID-19 has had an unprecedented impact

Under Alert Level 1, domestic PAX has partially recovered to c.65% of pre-COVID-19 levels. Meanwhile, international flows remain very low while travel restrictions are in place

Source: Auckland Airport

Living with COVID and proposing a managed path out

Played a critical role in managing COVID-19 and proposing options for recovery paths

- Close coordination with government, border agencies and airlines to reinstate full domestic services at Level 2, manage ongoing changes to international borders
- Collaborated with partners to propose:
  - blueprint for a Trans-Tasman Safe Travel Zone; and
  - quantitative risk-based border framework, guided by an expert medical panel
- Introduced new split terminal model and secure off-site processing to support new Safe Travel border models
- Launch partner for new saliva PCR COVID-19 test to support development of better testing options for staff and potentially future pre-travel and domestic surveillance testing

The path out will need further close coordination across business and government

- Ongoing development and operationalisation of a full risk-managed model for border management – in line with other border risks (e.g. aviation/bio security)
- Alignment on preferred 'authority to fly' system (e.g. IATA TravelPass) that considers country/individual risk for non-Safe Travel zone countries
- Transparent approach to thresholds/ metrics required to enable travel restart (e.g. vaccines, domestic health performance) and plans for any resurgence
- Launch of selected Safe Travel Zone destinations where appropriate (e.g. Australia/Pacific Islands)
- Continued development of testing, tracing and other domestic health security measures

When appropriate, start of a Safe Travel Zone into Australia and the Pacific Islands represents a material near-term opportunity

Financial performance

First underlying loss in the airport's history

For the six months ended 31 December ($m)	2020	2019	Change
Revenue	131.5	374.7	(64.9%)
Expenses[7]	43.3	95.5	(54.7%)
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	**88.2**	**279.2**	**(68.4%)**
Share of profit from associates	3.2	5.0	(36.0%)
Derivative fair value movement	0.8	(0.4)	(300.0%)
Investment property revaluation	29.8	9.1	227.5%
Depreciation expense	59.3	55.4	7.0%
Interest expense	35.0	34.7	0.9%
Taxation expense	(0.4)	55.6	(100.7%)
Reported profit after tax	**28.1**	**147.2**	**(80.9%)**
Underlying profit / (loss) after tax[8]	**(10.5)**	**139.9**	**(107.5%)**

7. Expenses include the benefit of a $14.9m reversal of the FY20 provision for termination costs and a $3.8m reversal of expected credit loss provisions
8. A reconciliation between reported profit after tax and underlying profit / (loss) after tax is included in the Appendix.

Lower PAX numbers impacted key income streams

For the six months ended 31 December ($m)	2020	2019	Change
Airfield income	30.8	60.8	(49.3%)
Passenger services charge	9.5	91.1	(89.6%)
Retail income	7.0	113.6	(93.8%)
Car park income	12.5	34.3	(63.6%)
Investment property rental income	47.0	45.9	2.4%
Other rental income	8.4	11.0	(23.6%)
Other income	16.3	17.9	(8.9%)
Total revenue	**131.5**	**374.7**	**(64.9%)**

- Large declines in PAX volumes continued to impact the business
- Airfield income decreased 49.3%, with aircraft movements reducing less than PAX volume as airlines maintained connectivity with reduced PAX, but higher cargo loads. This includes an 80.2% increase in Aircraft parking revenues due to longer aircraft layover times.
- Passenger services charge fell 89.6%, greater than the 73.4% reduction in total PAX, reflecting the much greater percentage fall in higher-yielding passengers
- Retail income decreased by 93.8%, dominated by international PAX reductions, reflecting New Zealand's ongoing border restrictions and our support of retail tenants. Car parking income decreased 63.6% reflecting the combined effects of ongoing international travel restrictions and the partial recovery of domestic activity
- Property rental income increased by 2.4% driven by rental growth in the existing portfolio and a part year contribution from the new Foodstuffs distribution centre, partially offset by reduced ibis Budget hotel income

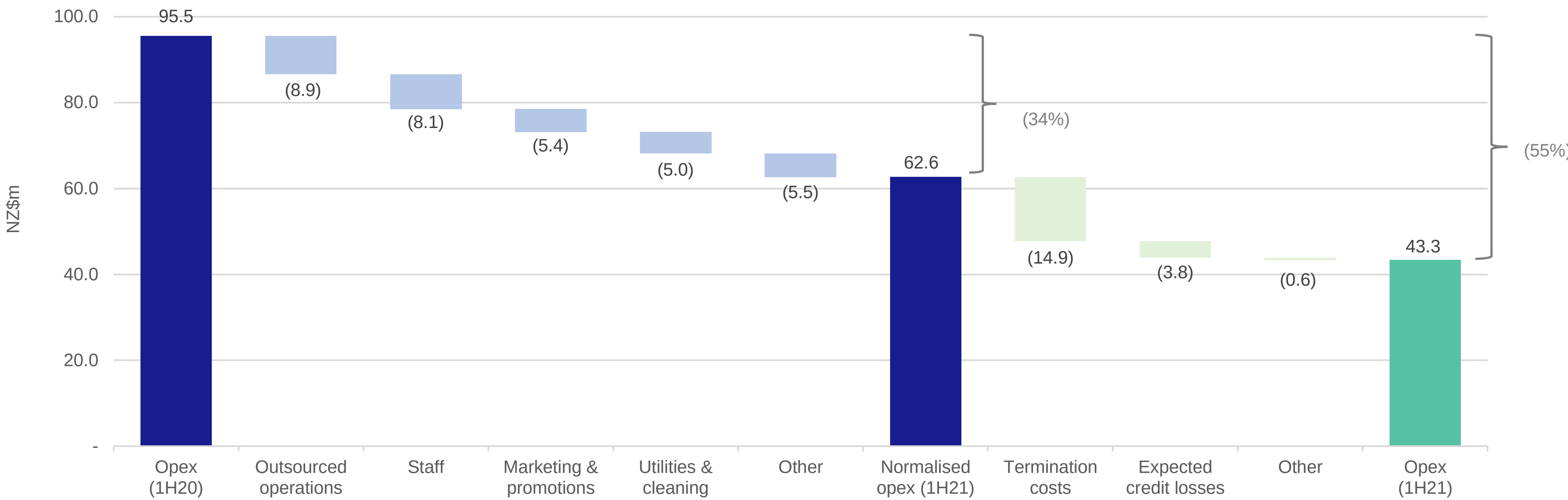
Significant cost reductions to reposition the business

For the six months ended 31 December ($m)	2020	2019	Change
Staff	21.0	30.6	(31.4%)
Asset management, maintenance and airport operations	24.5	42.5	(42.4%)
Rates and insurance	10.6	8.9	19.1%
Marketing and promotions	0.2	5.6	(96.4%)
Professional services and levies	1.5	2.8	(46.4%)
Fixed asset impairment	0.9	-	n/a
Reversal of fixed asset termination costs	(14.9)	-	n/a
Other expenses	3.3	5.9	(44.1%)
Reversal of expected credit losses	(3.8)	(0.8)	(375.0%)
Total operating expenses	**43.3**	**95.5**	**(54.7%)**
Depreciation	59.3	55.4	7.0%
Interest	35.0	34.7	0.9%

- A significant cost reduction programme involving reductions in staffing levels, outsourced activities (e.g. car parking, Valet and bus operations, baggage and trolley services, VIP lounges) and marketing delivered a c.$33 million (34%) reduction in operating costs in the period.
- Better than forecast collection of overdue debts from airlines, tenants and retailers and more favourable project termination costs contributed a further c.$19 million reduction in total operating expenses.

Normalised opex down materially

1H21 v 1H20 operating expenditure



- The new operating environment necessitated a significant organisational response. Every aspect of the cost base was challenged resulting in a 34% reduction in core operating costs compared to the prior period.
- Scaled back operational activities to reflect the lower demand environment with reductions in outsourced operations following the temporary closure of car parks and the Strata Lounge and reduced bus services
- Staff costs declined materially on the prior period reflecting both a 35% reduction in headcount and the majority of staff and directors taking a voluntary remuneration reduction in July and August
- Marketing & promotions scaled back to reflect travel restrictions
- Improved outcomes in the collection of expected credit losses and contract terminations have resulted in a reversal of provisions in the period

Scaled-back capex focused on asset upgrades

Lower aeronautical activity has facilitated the upgrade and renewal of core assets

- Capital expenditure of $93.7 million[9] targeted core airfield renewals, the roading network and new property developments

Airfield ($15.2 million)

- Completed the runway slab replacement programme, upgrading the east and west touchdown zones

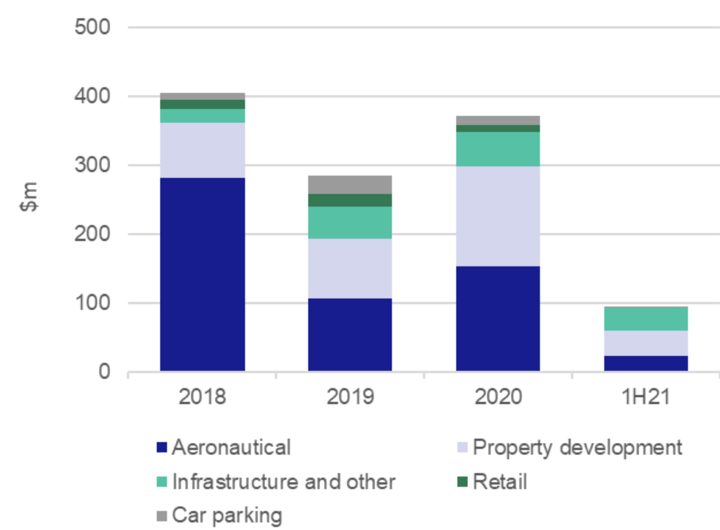
Roading ($33.5 million)

- Continued major upgrade of the northern airport access road, (George Bolt Memorial Drive) to include HOV lanes, shared pedestrian and cycle paths, and new wayfinding gantries.
- Construction of SH20B HOV lanes and upgrade to Prices Rd access continues
- New terminal exit road to provide a one-way loop past the international terminal before reconnecting back to the city at Manu Tapu Drive

Property ($36.4 million)

- Completion of Foodstuffs development and the extensions of Interwaste and DHL.
- Construction of two pre-leased properties underway for Geodis Wilson and Hellmann

Historical capital expenditure



9. *Net capital expenditure additions after $0.9m of capex impairments. Includes contributions to investments in Joint Ventures (Pullman). Excludes reduction of termination cost provisions*

Significant liquidity available

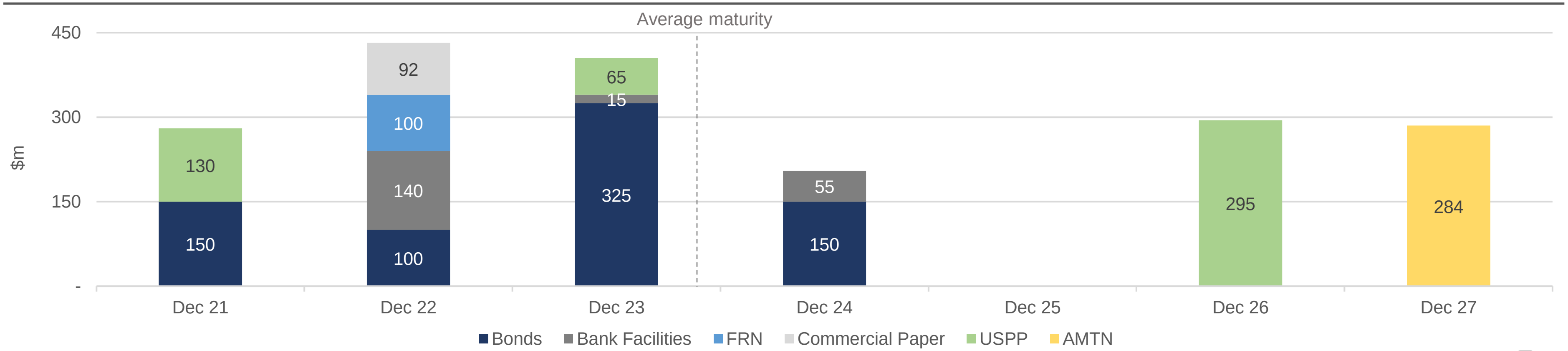
Liquidity of $1.6 billion to support the business

- No change in debt facilities since 30 June 2020
- Committed undrawn facility headroom at 31 December of c.$925 million (Jun-20: $936 million), and $682 million in available cash (Jun-20: $765 million)
- Bank and USPP waivers remain in place for any interest coverage and gearing covenant breaches until 31 December 2021 (inclusive)
- Dividends remain suspended while covenant waivers in place
- A- credit rating maintained

Credit metrics and key lending covenants

	Covenant	Dec-20	Jun-20
Gearing[10]	≤ 60%	23.3%	23.5%
Interest coverage[11]	≥ 1.5x	(0.11x)	2.62x
Debt to enterprise value		16.5%	19.4%
Net debt to enterprise value		11.0%	12.5%
Funds from operations interest cover[12]	2.5x	2.0x	3.4x
Funds from operations to net debt[12]	11.0%	7.1%	18.6%
Weighted average interest cost		4.04%	3.89%
Average debt maturity profile (years)		3.39	4.66
Percentage of fixed borrowings		65.5%	65.4%

Drawn debt maturity profile as at 31 December 2020



10. Gearing defined as nominal value of debt plus derivative liabilities divided by nominal value of debt plus derivative liabilities plus the book value of equity
11. Interest coverage defined as reported NPAT plus taxation, interest expense, revaluations and derivative changes (broadly EBIT) divided by interest expense
12. S&P A- rating threshold

Our continuing journey

Response to COVID-19

Having moved quickly to respond to challenging environment that COVID-19 presented, Auckland Airport is positioning for a recovery in aeronautical activity

- Following the outbreak, we immediately revised operational procedures and established new operational models to assist staff, travellers, and support the new border requirements:
  - additional cleaning protocols and solutions to provide a higher level of hygiene assurance;
  - management of physical distancing including physical layout;
  - testing procedures for frontline staff;
  - improved passenger communications; and
  - reorganising the international terminal layout to separate passengers
- ACI's Airport Health Accreditation of our COVID-19 health and safety measures – the first New Zealand airport to achieve this
- Having responded to the demands of a new operating environment caused by COVID-19, we are now positioning the business for a recovery in aeronautical activity

Focused on safety

Terminal signage to assist passengers

Positioning for the recovery

The low-volume of aeronautical activity has provided a unique opportunity to accelerate select infrastructure upgrades

- With the support of airline partners and other industry stakeholders we've successfully completed the replacement of more than 360 slabs in the runway's east and west touchdown zones
- Work on a pavement upgrade programme for taxiways and apron began in January 2021 and will continue
- Progressed the airside fuel network upgrade to enable future flexible operations of the mid-field
- Recommenced work on the new one-way exit road, a one-way loop road for the international terminal
- Partnership with Waka Kotahi / NZ Transport Agency and Auckland Transport will bring greater public transport connectivity, with high-frequency, electric bus services on dedicated HOV lanes between the airport and Puhinui Station's bus and train hub

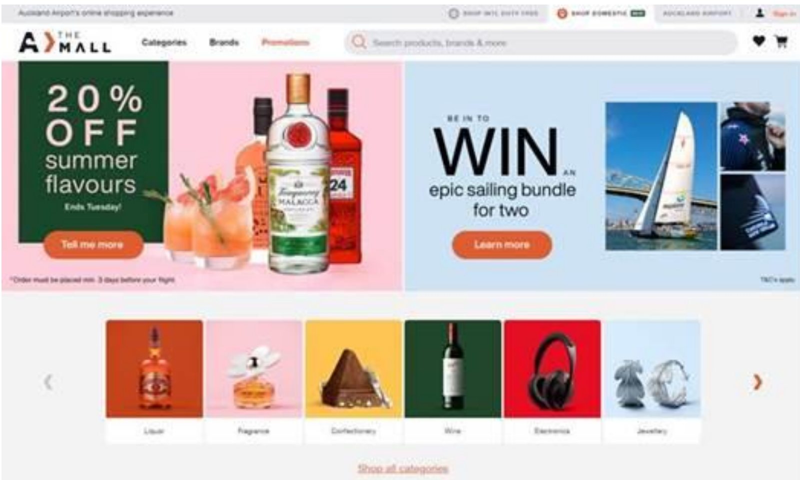
Runway slab replacement work

International terminal exit road works

Positioning for the recovery (cont'd)

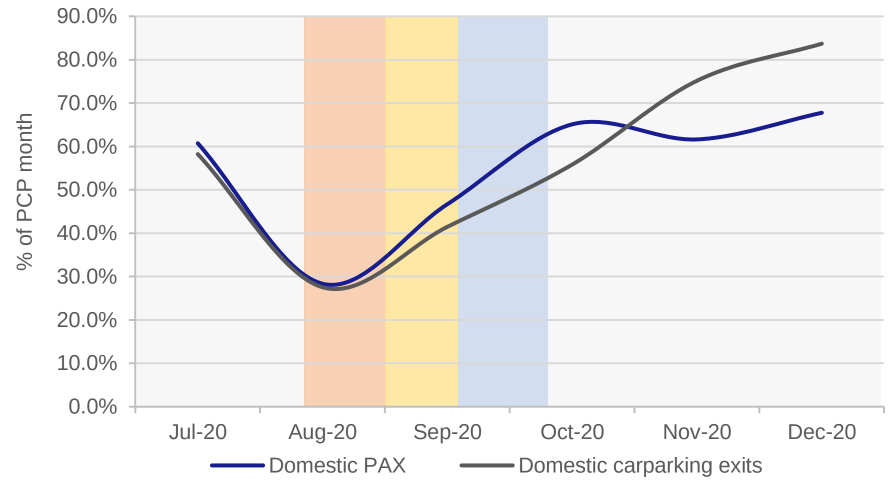
Our retail and transport offering has repositioned to cater to the resumption in domestic travel

Retail



- Substantial decline in retail income of 94% reflecting the decrease in international PAX
- Tailored approach to temporary retail tenant relief on a case-by-case basis
- Launched online retail proposition 'The Mall' as part of domestic repositioning
- Domestic PSR 8.5% above pre-COVID-19 levels

Transport



- Transport revenue decreased 64%, reflecting the ongoing international travel restrictions, partially offset by the resumption of domestic travel
- Full suite of domestic products opened in the period
- Domestic parking rebounded strongly following the resumption of domestic travel and on a per PAX basis is up on pre-COVID-19 levels
- Using excess international parking capacity to accommodate additional domestic demand

Positioning for the recovery (cont'd)

Development momentum and quality of tenants provide resilience and underpin future income growth

- 10.5% increase in rent roll continues to demonstrate the strength of the airport property development proposition
- Completed developments in the six months include:
  - 84,000m² Foodstuffs distribution centre and head office; and
  - Speculative 10,000m² warehouse across six units which has been leased to Zeta Group and Tempur at 27 Timberly Road
- Quality pipeline of $172 million of new developments including:
  - EBOS (Healthcare Logistics);
  - Geodis Wilson;
  - Hellmann;
  - DHL Expansion; and
  - Interwaste

New hotels

- Construction continued to complete the structures and façades of the 5-star Te Arikinui Pullman and 4-star Mercure hotels. Fit-outs will occur when demand conditions return

$116.0m Investment property rent roll

98.2% Occupancy

10.1 years WALT

181 hectares of land available for development

Foodstuffs development

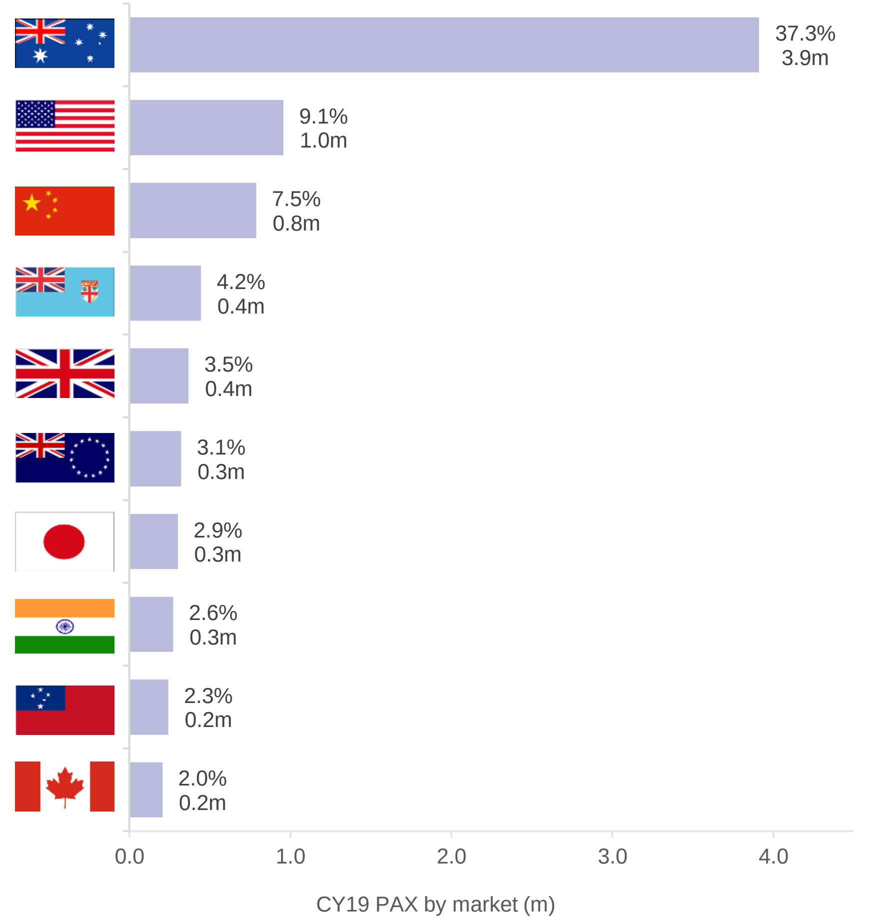
New Geodis Wilson development at Timberly Road

Positioning for the recovery (cont'd)

Reposition the business to respond to a recovery in the travel industry when safe to do so

- While domestic PAX achieved c.65% of FY19 levels, considerable uncertainty remains, given the risk of future changes to alert levels
- Australia is Auckland Airport's largest international market, c.300% greater than the second largest, USA
- At the appropriate time, two-way quarantine free travel between Australia and New Zealand would provide a significant boost to local tourism and our business given the importance of the Australian market
  - Australians made 11.3 million international outbound trips in 2019, spending an estimated AU$65 billion
  - Australian travellers spent over $2.7 billion p.a. in New Zealand prior to COVID-19[13]
  - surveys suggest strong appetite in Australia for overseas travel once borders re-open – New Zealand strong preference[14]

Auckland Airport international PAX flows pre-COVID-19 by market[15]



13. *Source: Tourism New Zealand*
14. *Source: Tourism & Transport Forum Australia: COVID-19 travel and leisure insights*
15. *Auckland Airport's CY19 international PAX (excluding transits) based on the country of terminal destination for departures and country of boarding origin for arrivals. The % indicates how much of the total CY19 international PAX each market represents*

Positioning for the recovery (cont'd)

Establishing a trigger-based capital roadmap to further invest in infrastructure when conditions support

- Flexible, resilient, affordable, and stageable 30-year masterplan remains appropriate
- Significant progress had been made on the 8 key anchor projects under the pre-pandemic programme – but now on hold
- Have reviewed with stakeholders the need, timing, and investment triggers
- Concluded that key elements of the capital roadmap remain relevant, however an opportunity exists for changes to simplify, re-sequence and incrementalise delivery to gain greater efficiency at a lower cost and match recovery path
- Investigating the purchase of local airfield lighting assets following Airways' proposal to exit this service

Key future capacity projects

1. Northern stands & taxiways
2. Northern road network
3. Domestic terminal works
4. New international arrivals
5. New domestic jet hub
6. Northern runway
7. MSCP & PUDO
8. New cargo precinct

Supporting our local community

We are committed to doing our best for our business, our shareholders and also for our local community

- Contributed $356,682 to the Auckland Airport Community Trust
- Local community focus for the Twelve Days of Christmas programme, distributed $100,000 donated by travellers
- Ara continued to connect local people with training and employment opportunities, as part of joint initiatives with government agencies, training providers and employers
- Continued longstanding support of The Life Education Trust
- Our support of the Sky Tower Stair Challenge since the first climb in 2005 continued, with AES staff raising funds for Leukaemia and Blood Cancer New Zealand
- Commencement of Māori leadership programme Manu Ao, designed to enhance the skills and sense of indigenous self in Māori staff

Manurewa South School students in their veggie garden installed by Oke Charity, a Twelve Days of Christmas grant recipient

Charities supported in the Twelve Days of Christmas grants

Operating sustainably

Highlights | Financial performance | Our continuing journey | Outlook

Continued strong focus on operating in a sustainable way to create enduring value

- FY20 marked the end of many of the environmental targets we set in 2013
  - ✓ nearly doubled targeted waste reduction, with a 39% decrease per PAX;
  - ✓ achieved science-based carbon target of a 45% reduction per m^2, five years early
  - ✗ did not achieve water reduction target which was adversely affected by water use associated with construction activities
- Achievements recognised by ongoing inclusion in the Dow Jones Sustainability Asia Pacific Index
- A new 10-year sustainability strategy is under development:
  - based on four pillars: purpose; people; community; and place
  - involving the setting of new targets to guide activities, including: diversity, health & safety, resource consumption; and carbon reduction / neutrality

Four pillars of Auckland Airport's 2030 Sustainability Strategy

Outlook

Outlook

Guidance

- As we look to the remainder of the 2021 financial year, we continue to face considerable uncertainty regarding the timing of the recovery in international travel
- Despite this uncertainty, we are providing underlying earnings guidance for the 2021 financial year of a loss of between $35 million and $55 million. Although the NZ government remains committed to restarting Tasman travel as a priority, this guidance assumes that:
  - there will be no material quarantine-free two-way Tasman travel during the remainder of the 2021 financial year; and
  - no further lockdowns of an extended duration during the period
- In addition, Auckland Airport is revising downwards its FY21 capital expenditure[16] guidance from $250 million to $300 million to between $200 million and $230 million. This includes completing existing roading, runway, baggage system and investment property projects
- No dividend will be declared for FY21
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and any deterioration due to global market conditions or other unforeseeable circumstances

Cargo loading at Auckland Airport

16. *Capital expenditures net of any impairments and excluding the impact of reduced termination cost provisions. Includes contributions to investments in Joint Ventures (Pullman)*

Questions

Appendix: Passenger numbers

For the six months ended 31 December	2020	2019	Change
International arrivals	65,210	2,715,217	(97.6%)
International departures	88,765	2,574,181	(96.6%)
International passengers excluding transits	**153,975**	**5,289,398**	**(97.1%)**
Transit passengers	33,028	547,448	(94.0%)
Total international passengers	**187,003**	**5,836,846**	**(96.8%)**
Domestic passengers	2,636,379	4,757,573	(44.6%)
Total passengers	**2,823,382**	**10,594,419**	**(73.4%)**

- Total PAX volumes decreased 73.4% as a result of COVID-19 travel restrictions
- International PAX were particularly impacted, decreasing 96.8% on the prior period
- Domestic PAX volumes decreased by 44.6% on the prior period. During Alert Level 1 periods, domestic PAX recovered to c.65% of the prior period

Appendix: Aircraft movements and MCTOW

For the six months ended 31 December	2020	2019	Change
Aircraft movements			
International aircraft movements	6,762	28,616	(76.4%)
Domestic aircraft movements	37,975	59,974	(36.7%)
Total aircraft movements	**44,737**	**88,590**	**(49.5%)**
MCTOW (tonnes)			
International MCTOW	825,803	2,914,921	(71.7%)
Domestic MCTOW	760,720	1,168,864	(34.9%)
Total MCTOW	**1,586,523**	**4,083,785**	**(61.2%)**

- International aircraft movements and MCTOW declined by 76.4% and 71.7% respectively. The reduction was smaller than the reduction in PAX volumes, as load factors for international travel decreased in response to COVID-19
- Domestic aircraft movements and MCTOW decreased by 36.7% and 34.9% respectively. This was due to COVID-19 lockdowns in Auckland, constrained international flow-on traffic, and Jetstar’s withdrawal from regional services in December 2019.
- Air NZ operated at almost 90% of its pre-COVID-19 domestic capacity during the October school holiday period

Appendix: Associates' performance

For the six months ended 31 December ($m)	2020	2019	Change
Queenstown Airport (24.99% ownership)			
Total Revenue	13.6	29.1	(53.3%)
EBITDA	9.1	20.4	(55.4%)
Underlying Earnings (Auckland Airport share)	0.6	2.7	(77.8%)
Domestic Passengers	678,836	840,628	(19.2%)
International Passengers	-	417,111	(100.0%)
Aircraft movements	5,919	9,592	(38.3%)
Novotel Tainui Holdings (50.00% ownership)			
Total Revenue	12.6	16.1	(21.7%)
EBITDA	5.8	6.1	(4.9%)
Underlying Earnings (Auckland Airport share)[17]	2.5	2.3	8.7%
Average occupancy[18]	73.0%	95.9%	
Average room rate increase	(2.9%)	0.3%	

17. On 31 October 2019, Auckland Airport's investment in Novotel Tainui Holdings increased from 40% to 50%
18. The Novotel Hotel has been solely occupied by the Ministry of Health in the 6 months to 31 December 2020 as a managed isolation and quarantine facility

Appendix: Balance sheet remains strong

As at ($m)	Dec-20	Jun-20	Change
Non-current assets	**8,433.4**	**8,448.7**	**(0.2%)**
Property, plant and equipment	6,066.5	6,060.8	0.1%
Investment properties	2,094.0	2,042.7	2.5%
Other non-current assets	272.9	345.2	(20.9%)
Current assets	**764.2**	**848.5**	**(9.9%)**
Cash	682.4	765.3	(10.8%)
Other current assets	81.8	83.2	(1.7%)
Non-current liabilities	**2,039.2**	**2,192.8**	**(7.0%)**
Term borrowings	1,684.3	1,824.4	(7.7%)
Other non-current liabilities	354.9	368.4	(3.7%)
Current liabilities	**484.3**	**467.3**	**3.6%**
Equity	**6,674.1**	**6,637.1**	**0.6%**

Appendix: Underlying profit / (loss) reconciliation

For the six months ended 31 December ($m)	2020 Reported profit	2020 Adjustments	2020 Underlying profit / (loss)	2019 Reported profit	2019 Adjustments	2019 Underlying profit / (loss)
EBITDAFI per Income Statement	**88.2**	**-**	**88.2**	**279.2**	**-**	**279.2**
Investment property fair value increase	29.8	(29.8)	-	9.1	(9.1)	-
Fixed asset impairment	-	0.9	0.9	-	-	-
Reversal of fixed asset termination costs	-	(14.9)	(14.9)	-	-	-
Derivative fair value movement	0.8	(0.8)	-	(0.4)	0.4	-
Share of profit of associates and joint ventures	3.2	(0.1)	3.1	5.0	-	5.0
Depreciation	(59.3)	-	(59.3)	(55.4)	-	(55.4)
Interest expense and other finance costs	(35.0)	-	(35.0)	(34.7)	-	(34.7)
Taxation expense	0.4	6.1	6.5	(55.6)	1.4	(54.2)
Profit after tax	**28.1**	**(38.6)**	**(10.5)**	**147.2**	**(7.3)**	**139.9**

- We have made the following adjustments to show underlying profit / (loss) after tax for the six months ended 31 December 2020 and 2019:
  - we have reversed out the impact of revaluations of investment property. 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;
  - we have reversed out the impact of fixed asset project write-offs, impairments and termination costs. 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;
  - we have adjusted the share of profit of associates and joint ventures to reverse out the impacts on those profits from revaluations of investment property and financial derivatives; and
  - we have also reversed out the taxation impacts of the above movements in both six-month periods.

Glossary

ACI	Airports Council International
AMTN	Australian medium term notes
ARPS	Average revenue per parking space
EBITDA	Earnings before interest, taxation and depreciation
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
FRN	Floating rate note
HOV	High occupancy vehicles
IATA	International Air Transport Association
MCTOW	Maximum certified take off weight
MSCP	Multi-storey carpark
NPAT	Net profit after tax
PAX	Passenger
PCP	Previous corresponding period
PCR	Polymerase chain reaction
PSR	Passenger spend rate
PUDO	Pick up and drop off
USPP	United States Private Placement
WALT	Weighted average lease term