Interim Results Presentation

23 February 2023

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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 39 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

Results at a glance

Revenue	Reported profit after tax	Passenger movements	Interim dividend
$287.8m	$4.8m	7.6m	0.0cps
▲ 128% on 1H22 (78% of 1H19)	▼ 96% on 1H22 (3% of 1H19)	▲ 341% on 1H22 (71% of 1H19)	–
	1H23 earnings per share of 0.33cps		

EBITDAFI[1]	Underlying[1] profit after tax	Aircraft movements	Capital investment[2]
$189.0m	$67.9m	69,936	$261.6m
▲ 213% on 1H22 (68% of 1H19)	▲ 690% on 1H22 (50% of 1H19)	▲ 117% on 1H22 (77% of 1H19)	▲ 124% on 1H22 (198% of 1H19)
1H23 EBITDAFI margin of 65.7%	1H23 underlying profit per share of 4.62cps		

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 $0.1m of capital expenditure impairments*

The recovery in aviation driving improved results

Aeronautical

$101.5m revenue 195%

7.6m passengers comprising:
3.2m international
0.3m transits
4.1m domestic

Retail

$59.4m income 761%

Largely reopen (ITB 87%, DTB 95%)
Retail IPP[3] up 102%

Parking

$27.5m revenue 216%

Strong activity reflecting increased demand for self-drive
parking exits up 293%

Property

$65.1m revenue 19%

$2.8b portfolio valuation
$94m fair value decrease (3%)
$133m annual rent roll

Hotels

$22.4m revenue[4] 173%

Strong demand driving rate growth
61% average occupancy across both hotels (vs total hotel rooms)
Staff shortages capped available rooms[5]

Queenstown

$30.0m revenue 136%

PAX volumes have exceeded pre-COVID levels
379k International
845k Domestic

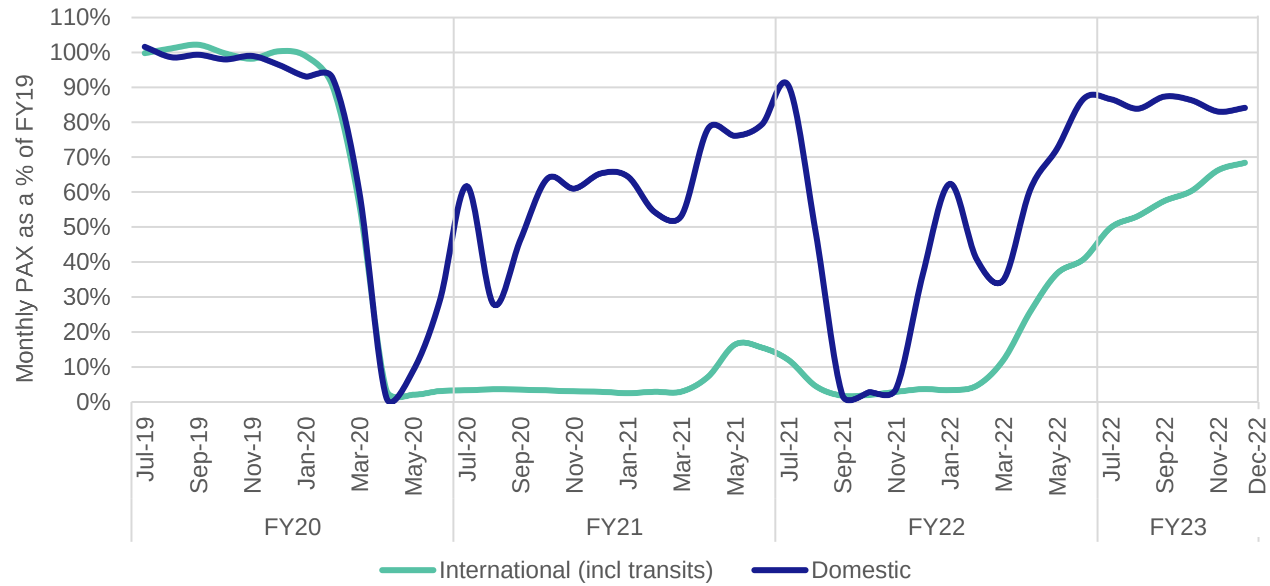
3. Retail income per passenger
4. Includes ibis Budget Hotel and 100% of Novotel hotel revenues
5. The Novotel hotel was solely occupied by the Ministry of Health in the six months to 31 December 2021 as a managed isolation and quarantine facility

Passenger numbers recovering

No domestic and international travel restrictions for most of 1H23 enabled further recovery of international PAX in the six months to 31 December 2022. Total passenger numbers are expected to be back to pre-pandemic levels during 2025

- Domestic passenger volumes quickly recovered, but stabilised below pre-COVID-19 levels in 1H23 reflecting lower capacity deployed from domestic operators
- International air travel has continued to strengthen in the period as connectivity has improved, connecting New Zealand to more global destinations, and the addition of further capacity to existing routes
- International air travel demand is now stronger than at any time since COVID-19 first closed our border and is expected to progressively recover further as additional capacity is deployed

Monthly passenger numbers



We are ‘building a better future’

Highlights
Financial performance
Our continuing journey
Regulatory and outlook

Reconnecting New Zealand to the world through the return of international carriers

Extension of services through return of previous international carriers and announcement of new routes

Recovery in our commercial businesses as system activity increases

International retail reopens following easing of travel restrictions

Investment in aeronautical infrastructure and commercial property developments

Foundation work on the Eastern Bag Hall

Financial performance

Total passenger numbers up reflecting the recovery

For the six months ended 31 December	2022	2021	Change	Pre-COVID 2018[6]	% of pre-COVID 2018
International arrivals	1,646,063	114,400	1,339%	2,724,021	60%
International departures	1,537,116	137,518	1,018%	2,570,486	60%
International passengers excluding transits	**3,183,179**	**251,918**	**1,164%**	**5,294,507**	**60%**
Transit passengers	291,450	6,506	4,380%	533,200	55%
Total international passengers	**3,474,629**	**258,424**	**1,245%**	**5,827,707**	**60%**
Domestic passengers	4,103,116	1,461,142	181%	4,816,706	85%
Total passengers	**7,577,745**	**1,719,566**	**341%**	**10,644,413**	**71%**

- Total PAX volumes increased 341% in the six months to 31 December 2022 reflecting the continued recovery in international travel following the reopening of the country's border
- International PAX recovered to 60% of their pre-COVID-19 equivalent in 1H23 and reached 69% in December 2022. Demand remains strong, with limited airline capacity
- Domestic PAX volumes plateaued at 85% of pre-COVID-19 levels

6. Comparative information for the six-month period to December 2018 has been included to compare the 1H22 performance against 1H19, i.e. the last financial year that immediately preceded the COVID-19 pandemic

Aircraft movements and MCTOW

For the six months ended 31 December	2022	2021	Change	Pre-COVID 2018[7]	% of Pre-COVID 2018
Aircraft movements					
International aircraft movements	19,133	8,349	129%	29,101	66%
Domestic aircraft movements	50,803	23,846	113%	61,775	82%
Total aircraft movements	**69,936**	**32,195**	**117%**	**90,876**	**77%**
MCTOW (tonnes)					
International MCTOW	1,815,742	996,752	82%	3,003,550	60%
Domestic MCTOW	1,001,246	487,280	105%	1,203,153	83%
Total MCTOW	**2,816,988**	**1,484,033**	**90%**	**4,206,703**	**67%**

- International aircraft movements and MCTOW increased by 129% and 82% respectively following the return of a significant portion of the network
- Domestic aircraft movements and MCTOW increased by 113% and 105% respectively, reflecting no domestic travel restrictions in the six months to 31 December 2022 compared with the major disruptions experienced during the prior period
- International and domestic seat capacity recovered to 69% and 89% respectively of the pre-COVID-19 equivalents in December 2022

7. Comparative information for the six-month period to December 2018 has been included to compare the 1H22 performance against 1H19, i.e. the last financial year that immediately preceded the COVID-19 pandemic

Return to underlying profit

For the six months ended 31 December ($m)	2022	2021	Change
Revenue	287.8	126.2	128%
Expenses	98.8	65.9	50%
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)[8]	**189.0**	**60.3**	**213%**
Share of profit / (loss) from associate and joint ventures	3.0	(17.4)	117%
Derivative fair value change	(0.3)	(0.6)	50%
Investment property fair value change	(93.8)	131.5	(171)%
Depreciation expense	68.7	53.7	28%
Interest expense	30.7	26.8	15%
Taxation benefit	(6.3)	(15.5)	59%
Reported profit after tax	**4.8**	**108.8**	**(96)%**
Underlying profit / (loss) after tax[8]	**67.9**	**(11.5)**	**690%**

- Underlying profit returned with significant growth in aeronautical activity driving higher revenues versus a proportionately smaller increase in operational expenses to facilitate the recovery
- Strong recovery was also seen in Queenstown with a $2.9 million share of profits (1H22: $0.2 million) driven by strong recovery at Queenstown Airport
- EBITDAFI margin improved from 48% to 66% as economies of scale return

8. *Auckland Airport recognises EBITDAFI and underlying profit or loss are non-GAAP measures. A reconciliation between reported profit after tax and underlying profit/(loss) after tax is included in the appendix*

Higher PAX numbers driving improved performance

For the six months ended 31 December ($m)	2022	2021	Change
Airfield income	40.9	26.2	56%
Passenger charges	60.6	8.2	639%
Retail income	59.4	6.9	761%
Car park income	27.5	8.7	216%
Investment property rental income	65.1	54.8	19%
Other rental income	13.7	8.2	67%
Other income	20.6	13.2	56%
Total revenue	**287.8**	**126.2**	**128%**

- Aeronautical income rose significantly in the period as the recovery in aviation flowed through to higher airfield and passenger revenues. Auckland Airport provided a total of $3.7 million of incentives to airlines in the period to stimulate connectivity, the majority via discounts in landing charges
- With the removal of the remaining travel restrictions in the six months to 31 December 2022, income from passenger charges rose significantly as the number of higher-paying international passengers increased
- With travellers returning, the reopening of retail stores in the international terminal drove a significant increase in retail income. As a result of a high proportion of the stores open for peak periods of the day during the summer holiday season, passengers showed a willingness to spend with retail income per passenger rising to 74% of the pre-pandemic equivalent
- Carparking income increased significantly on the prior period also as the combined effects of strong propensity to park, no domestic lockdowns in the year and the reopening of all parking products for the period drove revenues
- Property rental income increased by 19% on the prior period driven by rental growth in the existing portfolio, new leases, and a part-period contribution from new developments

Operating costs

For the six months ended 31 December ($m)	2022	2021	Change
Staff	29.5	21.7	36%
Asset management, maintenance and airport operations	40.8	29.5	38%
Rates and insurance	17.4	10.4	67%
Marketing and promotions	1.9	0.8	138%
Professional services and levies	3.0	1.2	150%
Fixed asset impairment	0.1	0.1	0%
Other expenses	6.1	2.6	135%
Reversal of expected credit losses	-	(0.4)	100%
Total operating expenses	**98.8**	**65.9**	50%
Depreciation expense	68.7	53.7	28%
Interest expense	30.7	26.8	15%

- The recovery in aviation necessitated higher staff numbers and outsourced operations for busing, cleaning and parking to service increased aircraft and passenger throughput
- Normalising for the $4.2 million of the Government wage subsidy received in the prior period, the increase in staff costs was $3.6 million or 14%
- In addition, cost inflation was evident, especially in non-tradable categories with rates and insurance costs rising significantly in the period

Significant lift in capital expenditure

Stronger aeronautical outlook and continuing demand for commercial property on the airport campus have driven a significant increase in capital expenditure in the period

- Capital expenditure in the half year of $262 million[9] associated with terminal integration enabling, property development, airfield renewals and transportation upgrades

Terminal Integration ($135 million)

- Progressed design across several elements of the Terminal Integration programme with construction underway on key enabling projects including the Eastern Bag Hall, Operations Control Centre and airfield relocations. In addition, construction also commenced on the Transport Hub

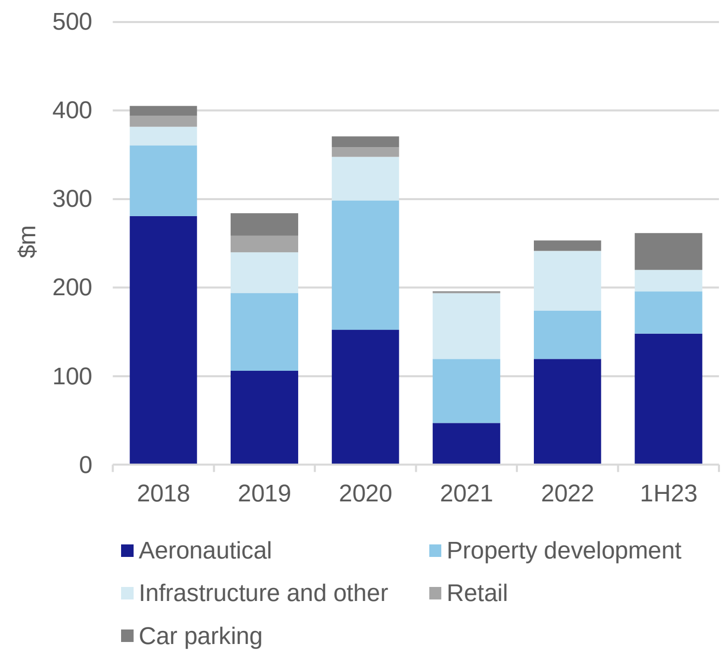
Property ($48 million)

- Completed the preleased development at 6-8 Te Kapua Drive
- Five preleased warehouse and office developments underway, with completions expected through FY23 to FY25
- Construction commenced on Mānawa Bay, a 100-store premium outlet shopping centre development

Airfield ($38 million)

- Renewal and upgrade works of airfield runway slab and aprons and fuel network. In addition, the purchase of Airfield Ground Lighting Assets from Airways NZ was completed in the period

Capital expenditure



9. Net capital expenditure additions after $0.1m of capital expenditure write-offs. Includes contributions to investments in joint ventures (Pullman)

Strong liquidity position with improved credit metrics

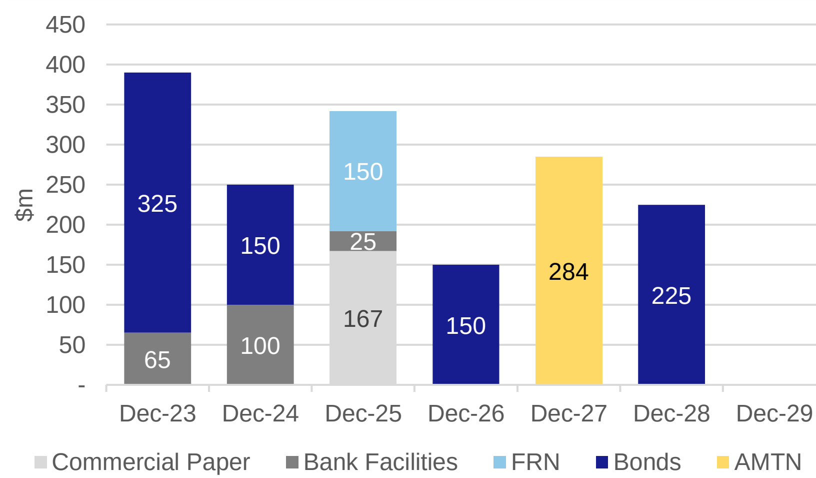
Liquidity of $1,076 million to support the business

- Total drawn debt of $1,611 million at 31 December 2022, an increase of 9% or $134 million on June 2022
- Committed undrawn bank facility headroom of circa $1,013 million (Jun-22: $955 million), and $63 million in available cash (Jun-22: $25 million)
- Raised $375 million of new borrowings through two NZDCM issues in the period: a $150 million wholesale floating rate note and a $225 million listed fixed rate bond
- Stronger financial metrics support the return to a ‘business as usual’ position with our banking syndicate
- A- credit rating maintained

Key credit metrics

	Test	Dec-22	Jun-22
Gearing covenant[10]	≤ 60%	17.0%	15.6%
Interest coverage covenant[11]	≥ 1.5x	4.99x	2.58x
Debt to enterprise value		12.3%	12.3%
Net debt to enterprise value		11.9%	12.1%
Funds from operations interest cover[12]	≥ 2.5x	4.2x	2.6x
Funds from operations to net debt[12]	≥ 11.0%	14.0%	6.5%
Weighted average interest cost		4.77%	4.32%
Average debt maturity profile (years)		2.96	2.29
Percentage of fixed borrowings		64.9%	71.5%

Drawn debt maturity profile for the 12 months ending



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, depreciation, revaluations and derivative changes (broadly EBITDA) divided by interest
12. Test is S&P’s A- rating threshold for Auckland Airport. The metrics provided for June 2022 are per S&P's October 2022 report and December 2022 are Auckland Airport estimates.

Balance sheet remains strong

As at ($m)	Dec-22	Jun-22	Change
Non-current assets	**10,204.3**	**10,078.1**	**1%**
Property, plant and equipment	7,130.3	6,986.1	2%
Investment properties	2,848.4	2,897.4	(2)%
Other non-current assets	225.6	194.6	16%
Current assets	**143.2**	**74.8**	**91%**
Cash	62.8	24.7	154%
Other current assets	80.4	50.1	60%
Non-current liabilities	**1,500.8**	**1,391.9**	**8%**
Term borrowings	1,054.1	961.0	10%
Other non-current liabilities	446.7	430.9	4%
Current liabilities	**673.0**	**610.1**	**10%**
Accounts payable and accruals	109.5	87.1	26%
Short-term borrowings	557.0	515.6	8%
Other current liabilities	6.5	7.4	(12)%
Equity	**8,173.7**	**8,150.9**	**0%**

Our continuing journey

The recovery in travel is underway

Highlights

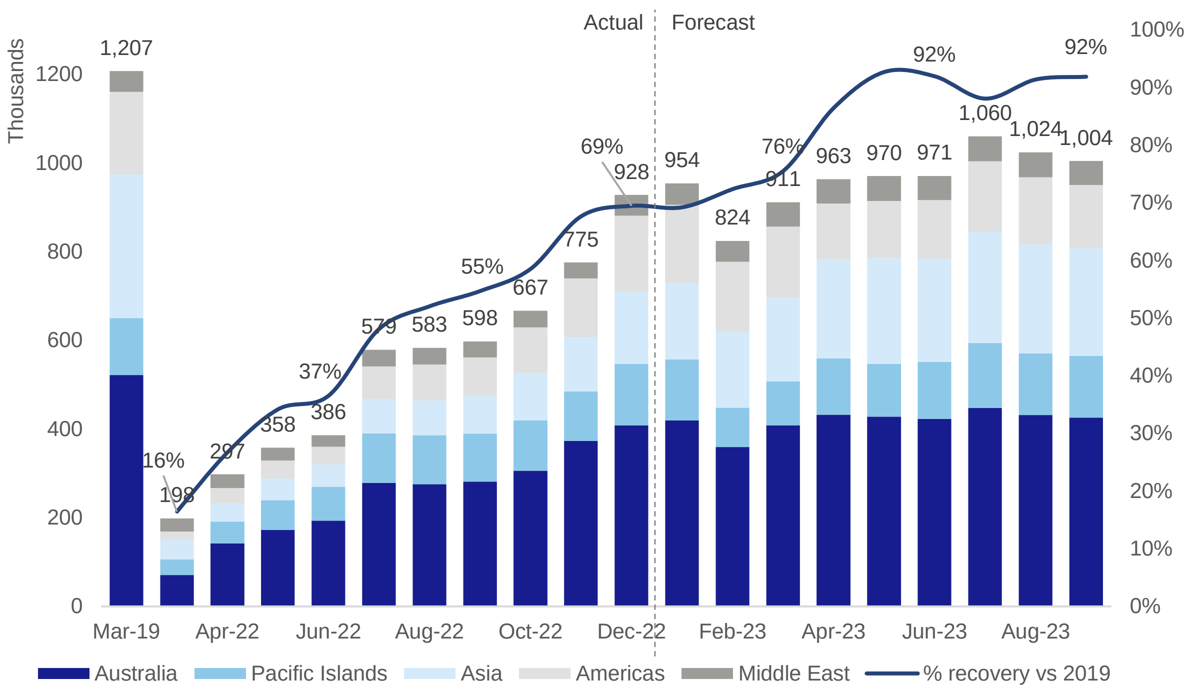
Financial performance

Our continuing journey

Regulatory and outlook

International seat capacity serving Auckland is expected to significantly increase over the remainder of the calendar year as airlines restart previous Auckland services and launch new routes

Auckland international seat capacity (000s)



Recovery % versus pre-COVID equivalent	Dec-22	Sept-23
Australia	74%	89%
Pacific Islands	91%	86%
Asia	40%	85%
Americas	102%	121%
Middle East	90%	109%

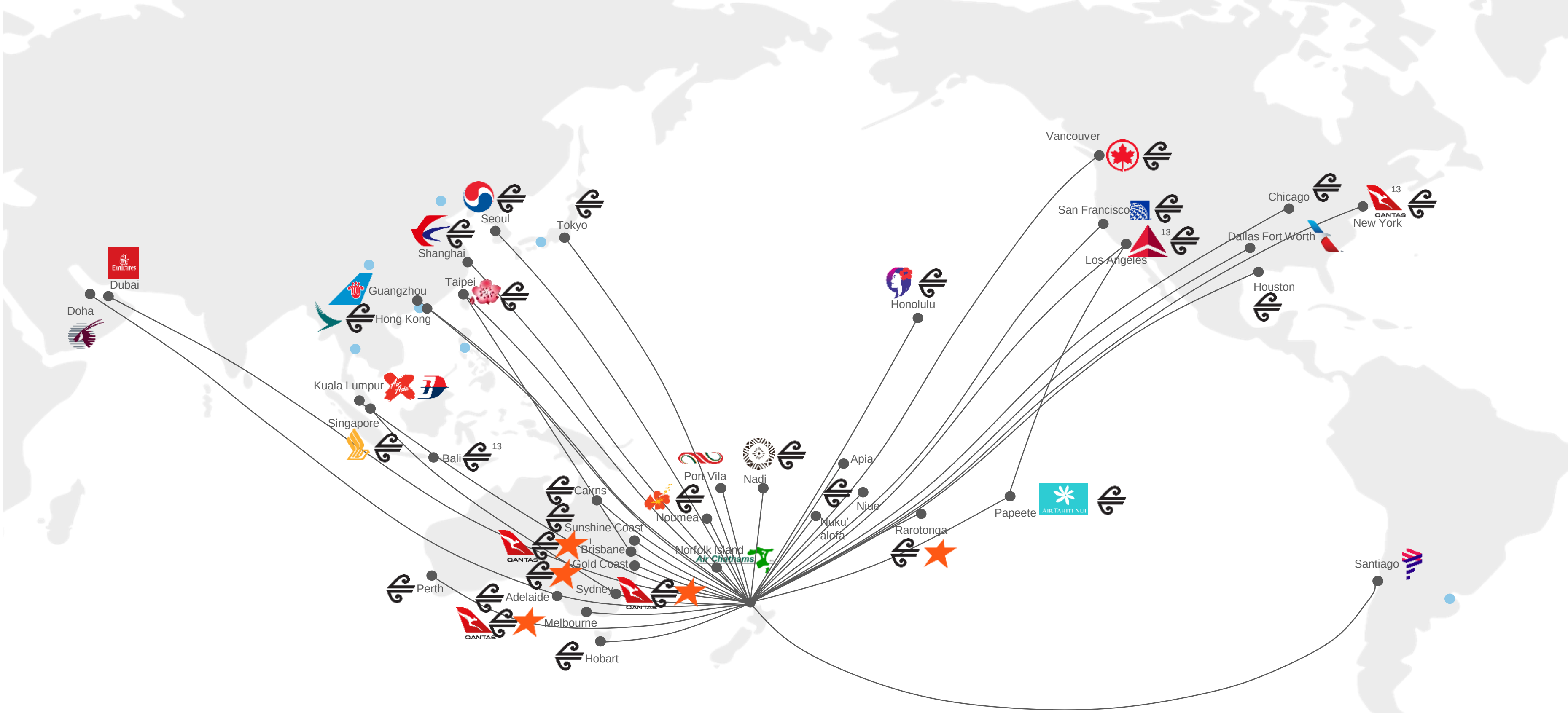
Source: Sabre

Announced and launched airline restarts

Jul 22	Adelaide, Cairns, Hobart, Sunshine Coast, Papeete, Noumea, Honolulu, Houston
	Honolulu
	Los Angeles via Papeete
Sep 22	Norfolk Island
	New York
Oct 22	Chicago
	Dallas
	San Francisco
Nov 22	Vancouver
	Kuala Lumpur via Sydney
Dec 22	Dubai direct
Mar 23	**Bali** NEW
Jun 23	Sydney-Auckland-New York
Oct 23	**Los Angeles** NEW

Reconnecting New Zealand to the world

23 airlines connected Auckland Airport with 35 destinations internationally as at 31 December 2022. With the restart of services and the launch of new routes, 24 airlines will connect Auckland Airport with 37 destinations across the Middle East, Asia, the Americas and the Pacific Islands by September 2023



Suspended routes

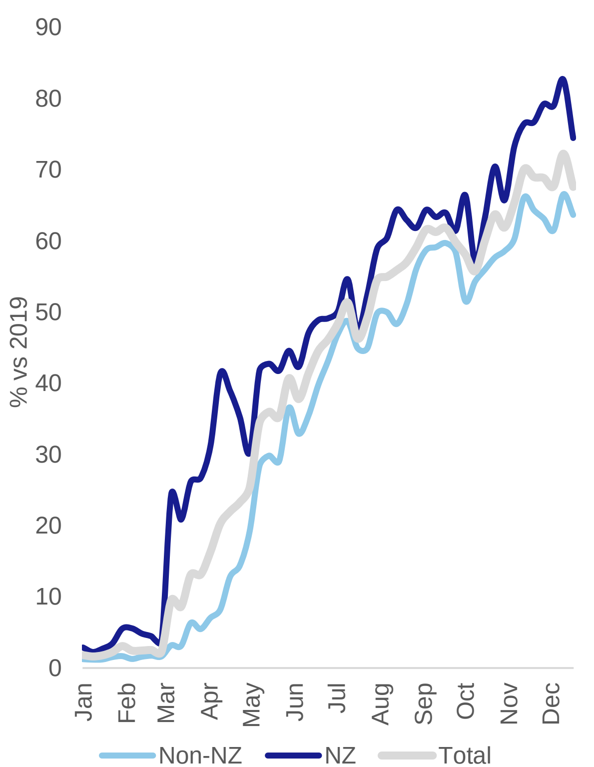
Suspended airlines

13. *Bali commences March 2023, New York (Qantas) commences June 2023, Los Angeles (Delta) commences October 2023*

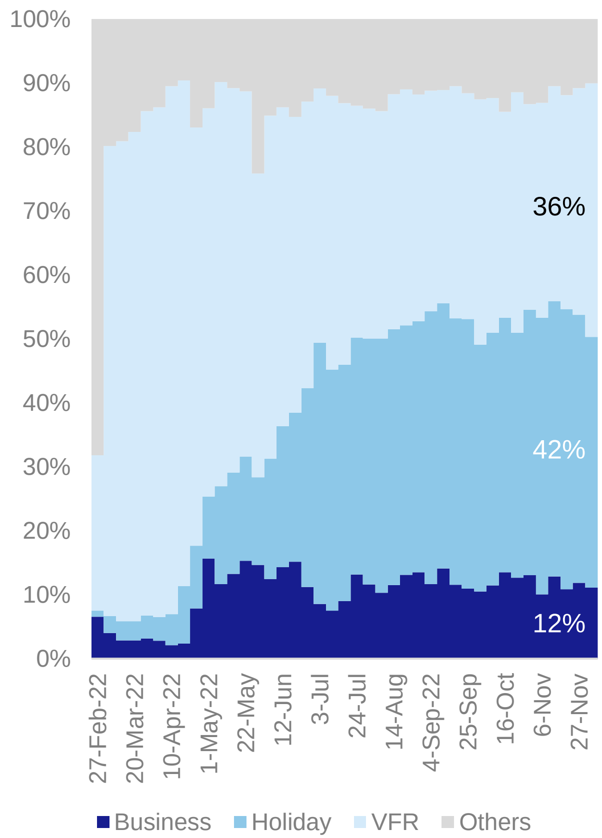
Broad-based recovery driven from PAX mix

The recovery in aviation markets is strengthening as Kiwi outbound travellers are joined by increasing numbers of international visitors. Diverse reasons for travel and strong load factors are further supporting industry confidence

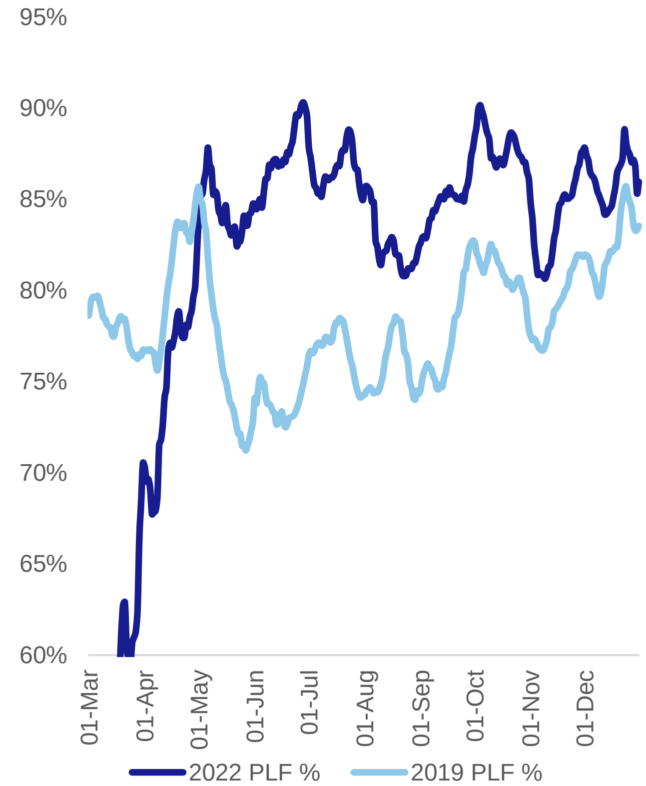
New Zealand arrivals



Weekly visitor arrivals' purpose of travel



International load factors (PLF) at Auckland



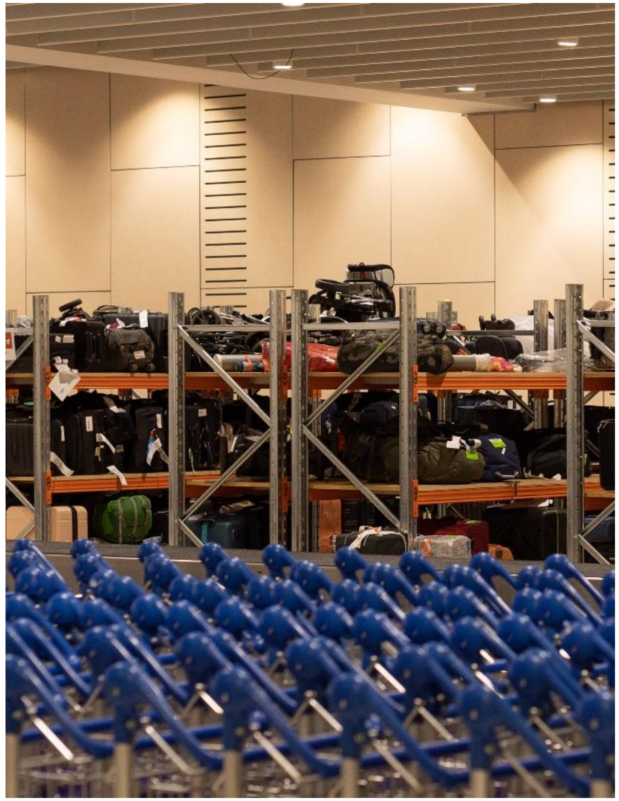
The recovery is not without its challenges

From labour shortages, poor on-time performance, lost baggage and cost inflation to high ticket prices, a number of factors are presenting as challenges to the recovery in the aviation system

Worker shortages

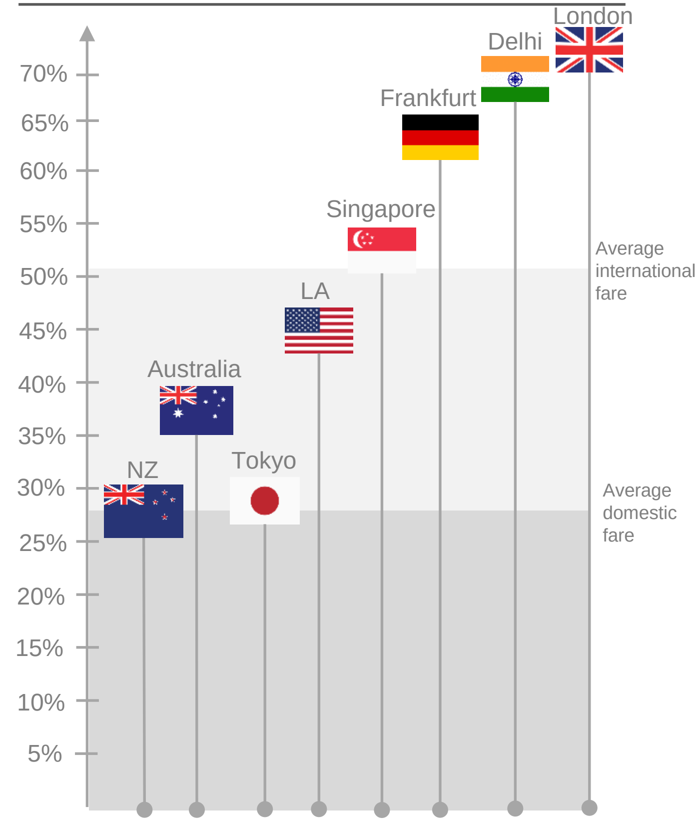
Queues at the outbound international departure hall

Displaced baggage



Displaced baggage in the arrivals hall

Elevated ticket prices from Auckland



Average Auckland international fares are forecast to be 51% higher than their pre-COVID-19 equivalent and domestic 27% higher[14]

14. Based on the average non-stop or one-stop economy return airfare from Auckland between February 2023 and July 2023.. Source Skyscanner Travel Insights

Retail has reopened as demand recovers

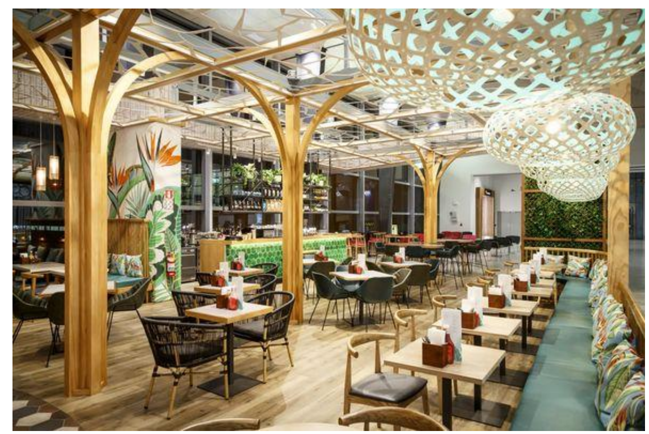
The airport retail proposition has reopened and is serving growing international passenger numbers

- Retail income of $59.4 million was up materially on the $6.9 million in the prior period following the reopening of international retail and strong domestic passenger volumes
- By 31 December 2022, 95% of the domestic and 87% of the international retail offerings were open to the public, up from 90% and 45% respectively at 30 June 2022
- With a greater number of stores open and increased coverage during the day, income per passenger lifted 102% to $8.15 versus the six months to 31 December 2021, circa 75% of the FY19 equivalent
- Retail rent abatements of $51.2 million were provided for the six-month period, a 46% reduction on the 1H22 equivalent
- Auckland Airport has selected global duty-free operator Lagardère AWPL as its duty-free partner until the full tender completes and the successful duty-free operator is in place from June 2025
- The omni-channel offering has resonated strongly with customers with the ease of pre-purchasing duty and tax-free goods in advance and collecting on the day of travel. Income is up eight times on the prior period
- A new tax-free tech offering by PB Technologies has been launched at the international terminal, with an extended range available online via The Mall and now offered within PB Tech stores nationwide
- The off-airport duty and tax-free service via the Collection Point is recovering well with the addition of new luxury stores from Westfield Newmarket

$8.15 Retail income per PAX

87% of the stores open in the international terminal

Reopening of Aelia Duty Free stores



Wondertree restaurant in the international terminal

Parking business is recovering well

With a full suite of products open for the period and increased demand, parking revenue is recovering towards pre-COVID-19 levels

- Transport revenue is up three-fold to $27.5 million from the prior period reflecting the combined effects of:
  - the recovery in international passenger numbers
  - rise in the average period of stay
  - customers trading up in the period to higher-value products
- A new mobility Valet product was launched in the period, providing ease of access at the front door of the international terminal for mobility permit holders
- A new short-stay car park with designated accessible parking spaces opened in the period, directly opposite the international terminal

Development activity

- Construction of the Transport Hub is well underway, which when finalised will provide improved passenger amenity, connectivity and capacity for the terminal precinct
- In January 2023, we announced $90 million of other transport projects to support smoother journeys including:
  - a new Park & Ride service to connect southern travellers;
  - a new priority lane on Laurence Stevens Drive for public transport and high-occupancy vehicles to provide easier access into the airport; and
  - building a new road, Te Ara Kōrako Drive, connecting George Bolt Memorial Drive and Nixon Road

Construction of the Transport Hub

Investment property

Development momentum, lease renewals and new quality tenants to our portfolio continue to provide income growth and income diversification

- 4.6% increase in rent roll in the six months to December 2022
- 1.7% decrease in portfolio value as cap rates increase
- Completed developments include a 13,600m^2 temperature-controlled office and warehouse facility at 6-8 Te Kapua Drive
- Quality pipeline of five new industrial developments currently under construction. These projects are expected to add a further $8 million in rental income once completed

Mānawa Bay

- Design completed and construction of the 23,000m2 net lettable area outlet shopping centre is underway with opening scheduled for 2024
- Strong tenant interest continues
- Targeting a 5 Green Star sustainability rating

Hotels

- 73% occupancy in December 2022, constrained by labour shortages
- Construction of the façade of the Te Ārikinui Pullman complete with fit-out underway. Completion expected in calendar 2023
- Fit-out of the Mercure hotel will be reactivated when demand recovers

$133 million Rent roll

98.5% Occupancy

8.8 years WALT

152ha of land available for property development[15]

61% hotel occupancy in the six months to December

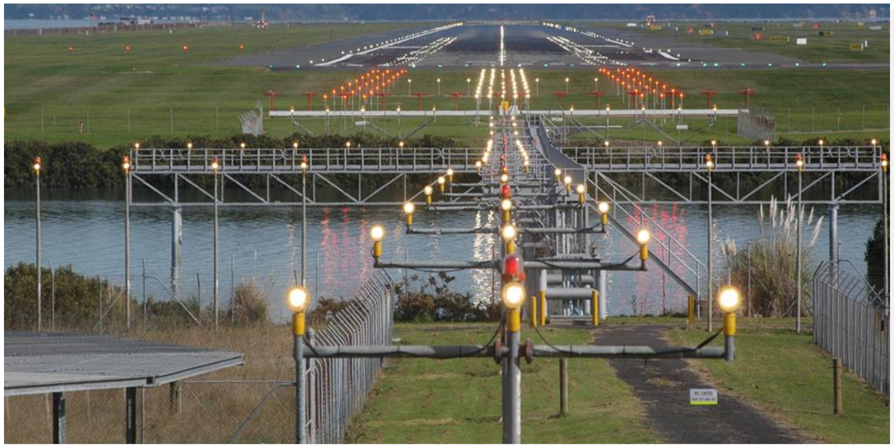
New temperature-controlled office and warehouse development at 6-8 Kapua Drive

15. *Excludes land allocated to developments under construction*

Continuing to invest in critical infrastructure

Airline consultation on the draft 10-year aeronautical capital plan is ongoing, but expected to be completed soon. In the meantime, upgrades to key elements of the system continued, including airfield slab, fuel and lighting, fibre and CCTV

Airfield works



Purchase of Airways' airfield lighting

Upgrade to airside access

Terminal works

Foundation works for the Eastern Bag Hall

Utility upgrades

Upgrades to the stormwater system including an eastern airside stormwater pond, eastern arrivals forecourt, terminal enabling and Mānawa Bay precinct

Significant progress towards terminal integration

Substantial enabling work continues on the design of an integrated terminal that is planned to be tightly integrated with the existing international terminal building

- Detailed consultation with airline stakeholders continues
- Preliminary design of the integrated facility complete and consulting with customers around key elements before moving to detailed design
- Construction on key enabling work projects well underway including:
  - the relocation of the airport operations centre to a new purpose-built facility that enables closer collaboration between airport stakeholders;
  - construction of the new Eastern Bag Hall including provision of increased capacity; and
  - relocation of eastern airfield operations including livestock, ULDs, airside waste disposal facility and Checkpoint Charlie

Artist's illustration of the preliminary design of the proposed Domestic terminal

Re-energising the airport with solar

Artist's illustration

Auckland Airport is looking skywards as we take our first steps to generate onsite renewable energy, with plans for rooftop solar systems atop of two of our newest buildings

- A 2.3-megawatt solar array is planned for Mānawa Bay to support more than 80 per cent of the centre's anticipated power usage when it opens in 2024
- Expected to be the largest rooftop solar system in New Zealand
- A solar array of 1.2 megawatts will be installed on the 14,000m^2 roof of the Transport Hub opposite the International Terminal
- Output will power the attached office building and electric vehicle charging stations within its car park

Continuing on our decarbonisation pathway

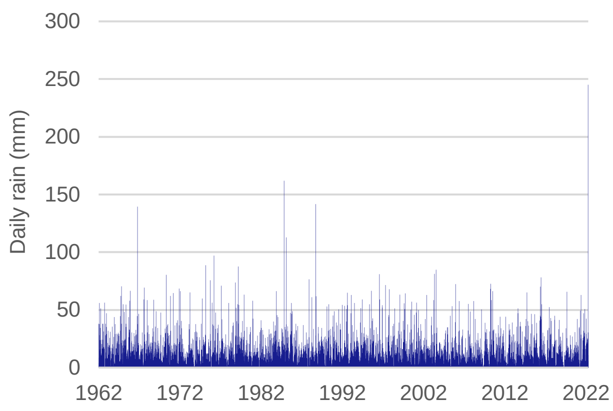
Reducing Auckland Airport's carbon footprint through the use of electric heat pumps for heating in terminal buildings

- Auckland Airport is taking our first steps away from fossil-fuelled heating with the installation of our first electric heat pump in Pier B of the International Terminal
- The heat pump is expected to save 30 tonnes of carbon per annum
- The new heat pump can heat and cool simultaneously across multiple zones, saving overall energy use
- Once all heat pumps have been installed, this will save 1,500 tonnes of carbon per annum

Recent flood at Auckland Airport

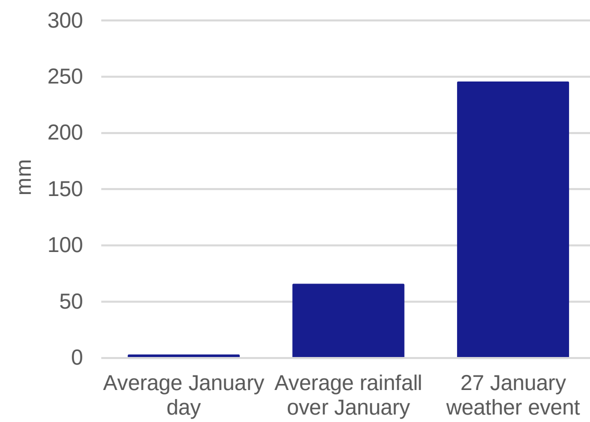
Unprecedented level of rainfall with the equivalent of over three January months' rain falling in one day and two months of rain falling in two hours

Heaviest daily rain ever recorded at the airport



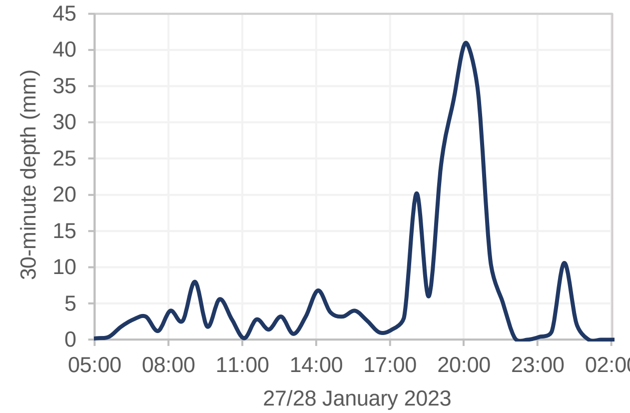
Source: NIWA CliFlo (1962 to 2023)

Multiple months of rainfall in one day

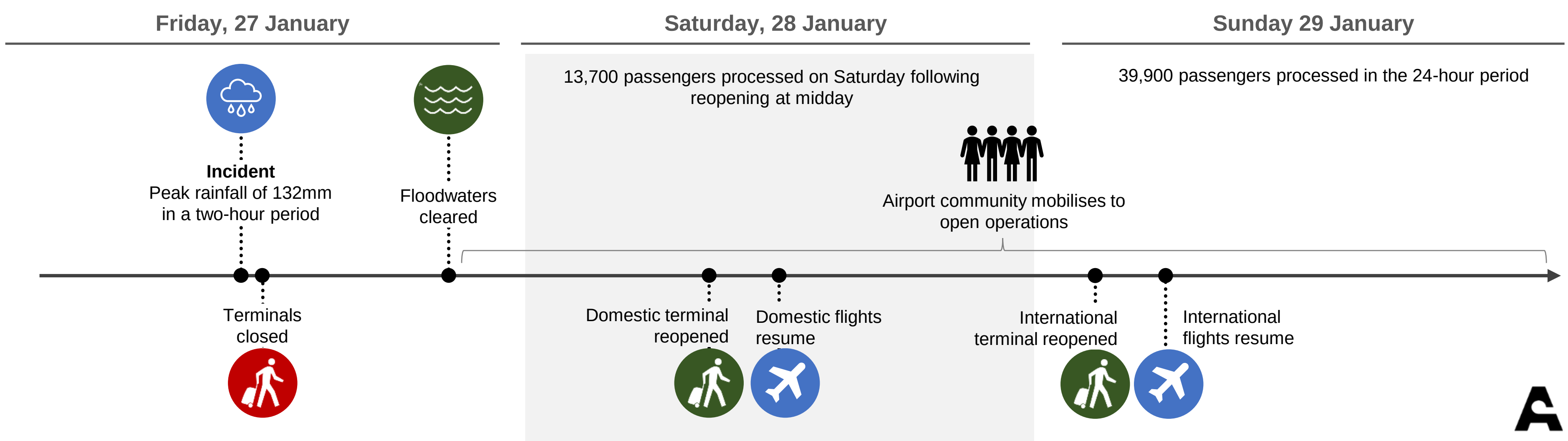


Source: NIWA CliFlo (1962 to 2023)

132mm of rain in a two-hour period



Source: MetService, Auckland Aerodrome gauge



Climate change resilience

Like all major infrastructure providers, we are very conscious of how climate change will impact the future environment we operate in. We are aware of the need to design our future infrastructure to withstand the effects of increasingly frequent and intense storms and rising sea levels

Climate change studies:

- As part of our ongoing focus on sustainability, we commissioned a climate change study in 2019 to understand the flooding and inundation risk in critical areas
- In addition, Auckland Airport advanced further studies to determine the extent of flooding and inundation under the following climate change impact scenarios :
  - RCP* 2.6: 0.3 – 1.7°C (low)
  - RCP 4.5: 1.1 – 2.6°C (moderate); and
  - RCP 8.5: 2.6 – 4.8°C (high)
- These studies told us that while there was an increasing risk of flooding our existing infrastructure was sufficient to prevent floor flooding under these scenarios until 2046

Infrastructure programme:

- Despite the study findings, Auckland Airport elected to proactively commence works on major stormwater upgrades over the three years to 2025 to prepare for a worst-case climate change scenario
- These upgrades include:
  - increasing stormwater network capacity in parallel with the Domestic Processer, Pier A1 Apron, Eastern Forecourt, Western Truck Dock, Inner Terminal Road and Transport Hub projects
  - diverting stormwater to a new stormwater pond as part of the Remote Stands Stage 2 project
- Following the recent 2023 weather events, Auckland Airport is reviewing this programme to understand what further level of resilience should be incorporated into the system

Airside stormwater pond

** Representative Concentration Pathway (RCP) is a greenhouse gas concentration (not emissions) trajectory adopted by the United Nations Intergovernmental Panel on Climate Change*

Building a better future…

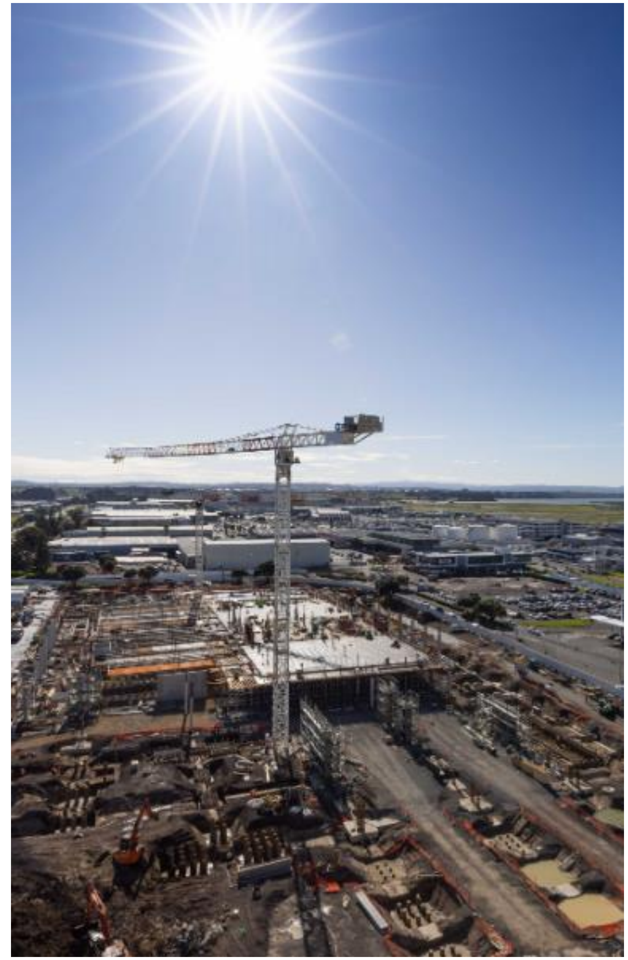
Re-establishing our aeronautical network and supporting the recovery in travel

Delta Airlines announced a daily Auckland-Los Angeles service commencing October 2023

Driving the recovery in our commercial business

Reopening of Aelia Duty Free in October 2022

Continued disciplined approach to investment in infrastructure and commercial opportunities



Construction of the Transport Hub

Regulatory and outlook

Regulatory

Consultation with airlines on aeronautical prices for PSE4 is well underway and is due to be completed by June 2023

- Prices for FY23 to FY27 (PSE4) will be determined following airline consultation on the 'building block' forecasts:
  - 10-year draft capital plan
  - a forecast recovery in total passenger numbers and aircraft movements to pre-pandemic levels by December 2024 (i.e. FY25);
  - increasing operational expenditure reflecting forecast growth in passenger numbers and aircraft movements and widespread inflation pressures;
  - aeronautical infrastructure projects including domestic integration, regional pathway, northern airfield and stands, and additional roading upgrades; and
  - a rise in Auckland Airport's weighted average cost of capital (WACC) / target return reflecting updated WACC input parameters as at 30 June 2022
- Prices for FY23 have been held constant at FY22 levels while consultation continues[16]. The price freeze will likely result in an aeronautical revenue shortfall of more than $100 million in FY23, forecast to be made up over the remainder of PSE4
- Following completion of aeronautical pricing consultation, we are targeting setting aeronautical prices for FY24 through FY27 by June 2023, with changes to take effect from 1 July 2023

Other regulation

- The Civil Aviation Bill remains before Parliament – as currently drafted, it retains the statutory ability for airports to set aeronautical prices
- The Commerce Commission is currently reviewing the "Input Methodologies" – i.e. the rules and processes that underpin regulatory information disclosures (and inform aeronautical price setting calculations). This review is due to be completed by December 2023 with a draft decision expected to be issued for consultation in May 2023 prior to our PSE4 prices being set

16. *The adjustment to International and Transit Passenger Charges of $2.00+GST under the Regulatory and Requested Investment (RRI) Policy ended on 30 June 2022 and is not being applied in FY23. Any under or over-recovery in accordance with the RRI Policy will be considered as part of the PSE4 consultation*

Outlook

Guidance

- As we look to the remainder of the 2023 financial year, we continue to see positive signs in the recovery of the aviation industry
- Increased connectivity, combined with the reopening of Auckland Airport's commercial operations, is supporting earnings for the remainder of the financial year
- As a result, we are raising our underlying earnings guidance for the 2023 financial year to between \$125 million and \$145 million
- In addition, Auckland Airport revises capital expenditure[17] guidance for the 2023 financial year to between \$525 million and \$600 million
- 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

View of Auckland Airport's runway

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

Ka nui te mihi Auckland Airport community

Appendix

Appendix: Associate and joint ventures

For the six months ended 31 December ($m)	2022	2021	Change
Queenstown Airport (24.99% ownership)			
Total revenue	30.0	12.7	136%
EBITDA	22.5	6.3	257%
Underlying earnings (Auckland Airport share)	2.9	0.2	1,350%
Domestic passengers	845,216	482,005	75%
International passengers	378,795	12,960	2,823%
Aircraft movements	8,877	4,027	120%
Novotel Tainui Holdings (50.00% ownership)			
Total revenue	8.8	11.4	(23)%
EBITDA	0.1	4.2	(98)%
Underlying earnings (Auckland Airport share)	0.0	2.2	(100)%
Average occupancy[18]	54.1%	53.9%	0%

18. *The Novotel Hotel was solely occupied by the Ministry of Health in the six months to 31 December 2021 as a managed isolation and quarantine facility*

Appendix: Underlying profit / (loss) reconciliation

For the six months ended 31 December ($m)	2022 Reported profit	2022 Adjustments	2022 Underlying profit / (loss)	2021 Reported profit	2021 Adjustments	2021 Underlying profit / (loss)
EBITDAFI per income statement	189.0	-	189.0	60.3	-	60.3
Investment property fair value change	(93.8)	93.8	-	131.5	(131.5)	-
Fixed asset write-offs and impairment	-	0.1	0.1	-	0.1	0.1
Derivative fair value movement	(0.3)	0.3	-	(0.6)	0.6	-
Share of profit / (loss) of associate and joint ventures	3.0	0.0	3.0	(17.4)	19.8	2.4
Depreciation	(68.7)	-	(68.7)	(53.7)	-	(53.7)
Interest expense and other finance costs	(30.7)	-	(30.7)	(26.8)	-	(26.8)
Taxation benefit / (expense)	6.3	(31.1)	(24.8)	15.5	(9.3)	6.2
Profit / (loss) after tax	**4.8**	**63.1**	**67.9**	**108.8**	**(120.3)**	**(11.5)**

- Auckland Airport recognises EBITDAFI and underlying profit or loss are non-GAAP measures.
- We have made the following adjustments to show underlying profit / (loss) after tax for the six months ended 31 December 2022 and 2021:
  - 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;
  - reversed out the impact of fixed asset write-offs. Related costs and cost reversals are not considered to be an element of the group's normal business activities and on this basis have been excluded from underlying profit;
  - reversed out the impact of derivative fair value movements. Derivative fair value movements are unrealised and relate to basis swaps that do not qualify for hedge accounting, as well as the 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;
  - 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
  - reversed out the taxation impacts of the above movements in both six-month periods.

Glossary

AMTN	Australian medium term notes
Cps	Cents per share
DTB	Domestic Terminal Building
EBITDA	Earnings before interest, taxation and depreciation
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
FRN	Floating rate note
GAAP	Generally accepted accounting principles
ITB	International Terminal Building
MCTOW	Maximum certified take-off weight
NPAT	Net profit after tax
NZDCM	New Zealand debt capital markets issue
PAX	Passenger
PLF	Passenger load factor
PSE4	Regulatory price setting event 4
RCP	Representative Concentration Pathway
ULD	Unit load device
VFR	Visiting friends and relatives
WALT	Weighted average lease term