

Stock exchange listings: New Zealand (NZX: AIR) / Australia (ASX: AIZ) / ADR (OTC: ANZLY)

## MARKET ANNOUNCEMENT

**27 April 2023**

### **Air New Zealand updates earnings guidance for FY23**

Air New Zealand previously provided full year earnings guidance to the market at its 2023 interim results announced on 23 February 2023. Since this time, the airline has continued to experience strong levels of demand on both the domestic and international networks. US dollar jet fuel prices have also declined below those assumed in the earnings guidance provided in February 2023, although the New Zealand dollar has also weakened over this time, reducing the impact of these declines.

The improvements in revenue and jet fuel price are expected to be partially offset by softer cargo revenues due to increased competitive capacity, particularly in Asia, impacting yields and load factors.

The airline's network capacity expectations for the second half of the financial year remain largely unchanged from the February guidance, with approximately 95 percent of domestic and 80 percent of international pre-Covid capacity levels across the network.

On the basis of the updates above, and assuming an average jet fuel price for the remainder of the 2023 financial year of US\$95 per barrel, the airline now expects earnings before other significant items and taxation for the 2023 financial year to be in the range of \$510 million to \$560 million. This compares with the prior guidance range of \$450 million to \$530 million.

Ongoing fuel price volatility, global recessionary risks and inflationary pressures across the entire supply chain remain high and have the potential to impact the final result for the 2023 financial year.

*Ends.*

This announcement has been authorised for release to NZX and ASX by:

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