



27 June 2024

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### May 2024 Commentary

- Group capacity was down 2.5% in May, with May and June typically representing the airlines two lowest demand months except in FY23 when the airline experienced exceptionally high demand as part of the initial post COVID recovery period. Long-haul international ASKs decreased 5.0%, short-haul international ASKs increased 2.1%, while domestic ASKs were down slightly 1.0% compared to 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 6.6% 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 12.8% driven by both North American and to a lesser extent, Asian routes. Intense international competition features heavily in the current trading environment, particular for North America. US competitors have not yet returned to China at scale, and for now have directed some of that additional capacity to the New Zealand market, putting pressure on yields.
- As previously disclosed at the 2024 interim results announcement, \$45 million in Covid-related credits were applied to passenger revenue for the period to 31 December 2024. These credits are not allocated to a particular route group in this document.



## May 2024 highlights

Group traffic summary	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	1,167	1,168	(0.0%)	15,033	14,394	4.8%
Revenue Passenger Kilometres(m)	2,427	2,364	2.7%	31,236	26,100	20.0%
Available Seat Kilometres (m)	3,050	3,128	(2.5%)	38,269	30,538	25.7%
Passenger Load Factor (%)	79.5%	75.6%	3.9 pts	81.6%	85.5%	(3.9 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	(12.3%)		(12.6%)	
Short Haul	(6.6%)		(6.6%)	
Long Haul	(12.1%)		(12.8%)	

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	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	1,167	1,168	(0.0%)	15,033	14,394	4.8%
Revenue Passenger Kilometres(m)	2,427	2,364	2.7%	31,236	26,100	20.0%
Available Seat Kilometres (m)	3,050	3,128	(2.5%)	38,269	30,538	25.7%
Passenger Load Factor (%)	79.5%	75.6%	3.9 pts	81.6%	85.5%	(3.9 pts)

Short Haul Total	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	1,027	1,031	(0.4%)	13,284	13,090	1.8%
Revenue Passenger Kilometres(m)	1,088	1,029	5.7%	14,064	13,149	7.3%
Available Seat Kilometres (m)	1,341	1,329	0.9%	16,645	15,333	8.9%
Passenger Load Factor (%)	81.1%	77.4%	3.7 pts	84.5%	85.8%	(1.3 pts)

Domestic	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	757	788	(3.9%)	9,808	10,038	(2.0%)
Revenue Passenger Kilometres(m)	386	399	(3.4%)	5,107	5,219	(1.8%)
Available Seat Kilometres (m)	489	495	(1.1%)	6,031	6,106	(0.9%)
Passenger Load Factor (%)	78.9%	80.7%	(1.8 pts)	84.7%	85.5%	(0.8 pts)

Tasman / Pacific	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	270	243	11.0%	3,476	3,051	14.3%
Revenue Passenger Kilometres(m)	702	630	11.5%	8,957	7,930	13.3%
Available Seat Kilometres (m)	852	834	2.1%	10,614	9,227	15.4%
Passenger Load Factor (%)	82.4%	75.5%	6.9 pts	84.4%	85.9%	(1.5 pts)

Long Haul Total	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	140	137	2.5%	1,749	1,305	34.5%
Revenue Passenger Kilometres(m)	1,339	1,335	0.3%	17,172	12,951	33.0%
Available Seat Kilometres (m)	1,709	1,799	(5.0%)	21,624	15,205	42.7%
Passenger Load Factor (%)	78.3%	74.2%	4.1 pts	79.4%	85.2%	(5.8 pts)

Asia	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	80	76	5.8%	927	603	54.2%
Revenue Passenger Kilometres(m)	685	659	4.0%	8,135	5,319	53.4%
Available Seat Kilometres (m)	900	921	(2.3%)	9,833	6,341	55.5%
Passenger Load Factor (%)	76.1%	71.5%	4.6 pts	82.7%	83.9%	(1.2 pts)

Americas	MAY			FINANCIAL YTD		
	FY24	FY23	% *	2024	2023	% *+
Passengers carried (000)	60	61	(1.7%)	822	701	17.5%
Revenue Passenger Kilometres(m)	654	676	(3.3%)	9,037	7,632	18.8%
Available Seat Kilometres (m)	809	878	(7.9%)	11,791	8,864	33.4%
Passenger Load Factor (%)	80.8%	77.0%	3.8 pts	76.6%	86.1%	(9.5 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 27 May 2024 to 26 June 2024)

### Departure of Chief Corporate Affairs Officer

13 June 2024

Chief Corporate Affairs Officer Mat Bolland will leave Air New Zealand on 31 July, as part of a wider review of costs being undertaken by the airline.

Mr Bolland joined Air New Zealand in May 2021, helping the airline navigate its recovery from Covid and establishing enduring relationships with government, regulatory and media stakeholders during one of the most challenging periods in its history.

Chief Executive Greg Foran says the economic challenges faced by the airline have led to an extensive review of costs, requiring the company to make some difficult decisions to manage these costs.

“Mat has made a remarkable contribution during one of the most challenging and unpredictable times in Air New Zealand’s history. Beyond working with our key stakeholders as we restarted the airline, he has established Air New Zealand’s reputation as a company that fronts up, talks candidly about issues that matter to customers while also highlighting its critical role for New Zealand as a whole.”

“I have valued Mat’s counsel through key milestones ranging from the capital raise that put us back on our own two feet, his leadership of our Māori Development strategy, retention of our high corporate reputation ranking and his advocacy for regulatory reform to ensure Air New Zealand remains a competitive airline that delivers to New Zealanders.”

Chief Sustainability Officer Kiri Hannifin will commence a consolidated role of Chief Sustainability & Corporate Affairs Officer from 24 June while Mat will continue to consult to Air New Zealand until 31 July to complete some key initiatives. Kiri has over 20 years’ experience working in communications and corporate affairs, including 7 years leading these portfolios at Countdown Supermarkets.

This announcement is made pursuant to Listing Rule 3.20.1.

### Air New Zealand establishes \$250 million revolving credit facility

28 May 2024

Air New Zealand announces it has established a new three year, \$250 million, unsecured, syndicated revolving credit facility. This facility is provided through participation from Australasian and global banks and will serve as standby liquidity support to the airline in line with its updated capital management framework previously announced in August 2023.

The new facility replaces the previous \$400 million unsecured committed Crown Standby Facility which was entered into as part of the airline’s recapitalisation package on 30 March 2022 and subsequently cancelled on 25 March 2024, having never been drawn upon.

ANZ Bank New Zealand Limited and MUFG Bank, Ltd. acted as Mandated Lead Arrangers and Bookrunners on the new facility.



## Media Releases

(during the period 27 May 2024 to 26 June 2024)

### Hello sunshine! Air New Zealand's seasonal service to the Sunshine Coast returns

24 June 2024

It's good news for Kiwis looking to escape the winter blues, with Air New Zealand's seasonal service to the Sunshine Coast returning on 26 June 2024.

The airline will recommence its flights to the Aussie winter warmth three times a week on Wednesday, Friday, and Sunday until October 2024.

The direct service between Auckland and Maroochydore is just four hours and means Kiwis can arrive at the sunny Sunshine Coast and be on the beach by lunchtime.

Air New Zealand General Manager International Jeremy O'Brien says the airline is excited to see the seasonal service return.

"Kiwis are clearly ready to escape the cold New Zealand temperatures as we're already seeing strong demand for bookings to the Sunshine Coast.

"The Sunshine Coast is the perfect holiday destination – with a relaxed beachside culture, incredible food, beautiful scenery, and 300 days of sunshine each year – it's easy to see why Kiwis love it so much.

"Customers travelling to the Sunshine Coast this winter have the added bonus of our new [Seats to Suit](#) offering, now available on our international short haul flights. This means they'll have access to free movies and entertainment, snacks, and affordable flexibility."

Over winter, Air New Zealand flies to seven other destinations in Australia, including Sydney, Brisbane, Melbourne, Perth, Adelaide, Cairns, and the Gold Coast.

"Australia is an incredibly important market for Air New Zealand. This seasonal service will also provide more opportunities for our Aussie customers to head across the ditch and enjoy New Zealand's snowy mountains and winter escapes. We look forward to carrying more customers between New Zealand and the Sunshine Coast this season."

### The Sky's the Limit: Launching the Mangōpare Air New Zealand Pilot Cadetship

12 June 2024

- New accelerated pathway to becoming a pilot for Air New Zealand
- 30 Kiwis to be selected for cadetship and will commence training from September 2024
- Expression of Interest launched to identify New Zealand-based flight training organisations that can deliver the cadetship long-term in Aotearoa

#### Mangōpare Air New Zealand Pilot Cadetship

The sky's the limit for aspiring Kiwi aviators with the launch of Air New Zealand's first-ever Mangōpare Pilot Cadetship. Designed to inspire more individuals to pursue a career as a pilot by reducing financial barriers, this cadetship complements existing pilot pathways, ensuring we can continue to meet future demand and avoid possible pilot shortages.



The Mangōpare Air New Zealand Pilot Cadetship is an all-inclusive training programme that accelerates the journey to becoming a commercial pilot from the typical 24-36 months to approximately 14 months.

With an initial commitment of 30 pilots, successfully selected cadets will commence training in small cohorts from September 2024, with the majority of costs, including training and living expenses, funded by Air New Zealand [\(subject to conditions\)](#).

To quickly establish the cadetship, cadets will initially train overseas using existing capacity while Air New Zealand conducts a procurement process to identify a long-term domestic training provider.

Cadets will be predominantly based in Arizona, where they will learn to fly single and multi-engine planes. They will then travel to Dubai to complete simulator sessions, becoming type-rated to fly ATR72-600 aircraft. Once qualified, successful cadets will have a pathway to employment as an Air New Zealand pilot.

Air New Zealand Chief Operational Integrity and Safety Officer Captain David Morgan says looking at both short and longer-term solutions to training pilots is crucial to ensure the airline can meet future travel demand.

“That’s why Air New Zealand is taking this proactive step to fund the majority of the training costs for 30 cadets. The programme not only opens the door for individuals from all backgrounds to consider a career as a pilot but also provides an expedited training pathway.

“We also know airlines around the world are already having to ground aircraft and cancel flights due to a lack of pilots. While these shortages have yet to impact Air New Zealand, we could see this change quickly if we aren’t proactive now”.

“In New Zealand, air travel is crucial in connecting Kiwis with each other and the world, as well as transporting high-value goods that contribute to our economy. We play an important role in ensuring we have the pilots needed to keep our aircraft flying.”

Applications for the Mangōpare Air New Zealand Pilot Cadetship are open now until 8 July. Full details, including the eligibility criteria, can be found on our website.

## **Expression of Interest for Mangōpare Air New Zealand Pilot Cadetship Training Provider**

Air New Zealand is also launching an Expression of Interest (EOI) to find a training organisation in New Zealand to deliver a fully integrated airline pilot training cadetship, fully aligned with Air New Zealand turboprop aircraft operations.

Captain Morgan explains that the aviation industry in New Zealand currently operates a traditional pilot training system where, pilots are recruited once they have gained the requisite after graduating from flight training providers and then become type-rated before a four-month period of training with Air New Zealand. While it has served the industry well, adaptation is now needed to ensure that New Zealand has the supply of high-quality pilots it needs for a successful airline industry in the future.

“The future success of the Mangōpare Air New Zealand Pilot Cadetship will rely on the pilot training sector working together in a way that it hasn’t done before to build and deliver a cadetship that means more pilots can be trained, faster, and ensure that we can meet the travel and export demands of Kiwis in the future.



“We want to work with training organisations that can provide a programme that helps cadets develop the technical skills and knowledge they need to join the airline as future leaders, ready to fly our turboprop aircraft.”

Through the EOI process, Air New Zealand aims to find a training provider that can deliver a fully immersive experience for cadets, fast-tracking their pilot training. This cadetship is designed to supplement the existing pilot recruitment programme and Air New Zealand will also continue to recruit pilots who come through traditional pathways.

## Air New Zealand pauses Auckland – Nouméa service

10 June 2024

Due to the ongoing uncertainty in New Caledonia, Air New Zealand will pause its Auckland – Nouméa service from 10 June to 28 September 2024.

Air New Zealand General Manager Short-Haul, Jeremy O’Brien says given the continued closure of the airport and ongoing uncertainty it’s challenging for the airline to continue operations in New Caledonia in the short term.

“We understand that this will be disappointing for customers who have travel plans to and from Nouméa and we apologise for the disruption this causes. It’s not a decision we have taken lightly, and we’re committed to returning to Nouméa after 28 September.”

Customers booked directly with Air New Zealand to travel to Nouméa will have their flights automatically held in credit. Due to limited options and continued uncertainty in the region, customers will not be rebooked on flights to Nouméa via alternative services. Customers can also opt to receive a full refund on their booking.

Customers booked through a travel agent should contact their travel agent directly to discuss the options available to them.

“We’d like to thank customers in advance for their patience and understanding at this time.”

## Bali bound year-round: Air New Zealand extends flights to holiday hotspot

7 June 2024

- Air New Zealand now flying year-round to Bali
- Three flights per week between November and February
- Sale fares available now, starting at \$699 one way.\*

Kiwi travellers can now book direct flights to one of the world’s most popular holiday destinations year-round. Air New Zealand has expanded its non-stop Bali services to cover the summer months for the first time.

To celebrate the introduction of year-round flights Air New Zealand is offering special sale fares to Bali, starting at \$699 one way.\*

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says the move to provide year-round flight options for customers is a testament to the popularity of Bali as a holiday hotspot.

“Bali has become an increasingly popular destination for Kiwi holidaymakers. With something to offer every type of traveller – from culture to incredible food, surf, relaxation, and adventure – expanding our Bali services made sense.

# Monthly **investor update**



“As the only airline offering a direct connection between Aotearoa and Bali, Kiwis heading off on a Bali break over the summer months no longer need to fly with a stopover. Holidaymakers can book a Bali Christmas or New Year holiday with direct flights to warm weather through the day and long balmy nights.

“With more than 800 seats available to Bali each week between November and February there are more options than ever to explore the popular Indonesian islands and all they have to offer.”

“Bookings to Bali have been strong since we relaunched our seasonal service in March 2023. This year’s seasonal flights have proven even more popular, with thousands of Kiwis booking Bali breaks over the last few months.”

More information on Bali can be found [here](#).

## 24/7 Live Chat has landed at Air New Zealand

5 June 2024

Air New Zealand now has another way for customers to get in touch with the launch of Live Chat.

Following a successful trial period, customers can now chat online with the airline’s customer care team in real time, 24 hours a day, seven days a week.

The airline has seen more than 38,000 customers typing in their enquiries since the trial of the feature kicked off in December.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says the channel has been hugely successful, and customers are enjoying having another method of contacting the airline.

“Live Chat is just like direct messaging a friend online. Once you’re connected with us, you’ll get an immediate response from a real person who can help with most types of enquiries.

“We know customers appreciate speed and convenience, particularly when it comes to needing help or support with their travel plans.

“In May the volume share of Live Chat was about 9.2% of all customer communication with us, and our team were able to respond to an initial message in just 47 seconds.”

While Live Chat is the latest digital innovation to rollout for the airline, it won’t be replacing Oscar, Air New Zealand’s much-loved AI chatbot, who has been around since 2017.

“Oscar isn’t going anywhere, he’s still available to help in more than 900 ways, and we’re working on ways to build his capability up as we advance our technology.

“However, if you’re having a yarn with Oscar and he’s having trouble understanding your request, simply let him know you’d like to speak to a human and he’ll pass you on to one of our friendly team.”

Customers can access [Live Chat](#) via Oscar through the Air New Zealand website, Facebook Messenger, or WhatsApp, or by clicking on “Live Chat” in the help and feedback section of the Air New Zealand app.

The Live Chat function will continue to be optimised, making it even easier for customers to access through the website and app over the next few months.