

Market Release | 13 March 2020

Auckland Airport revises earnings guidance for FY20

Following recent developments in the international outbreak of COVID-19 and significant market uncertainty, Auckland Airport has today revised its underlying earnings for the year to 30 June 2020 to between \$210 million and \$235 million.

Auckland Airport Chief Executive Adrian Littlewood said the changing forecast reflected the major disruption COVID-19 was having on the global tourism industry, and was based on the latest information available.

“Since the announcement of our interim results on 20 February 2020 the COVID-19 outbreak has continued to evolve quickly with cases spreading rapidly across the globe.

“We will be monitoring developments over the remainder of the 2020 financial year, including the introduction of any new border restrictions, and we will continue to update guidance if there are further significant changes.

“It’s a very dynamic situation and we are now seeing a significant reduction in flights and in the number of passengers coming through our terminals as governments introduce unprecedented border restrictions and people choose not to travel.

“We’ve seen an immediate impact on business travel, and we are now anticipating a rapid downturn in leisure travel in the coming months, as cancellations flow through and demand for bookings continues to soften.”

In January 2020, total passenger numbers were down 3.4% on the January 2019 result. In February 2020, total passenger numbers deteriorated further, falling 8.6% on February 2019. Initial data for international passengers only for the first 10 days of March has shown an 18%

decline on the previous corresponding period in March 2019. Auckland Airport now anticipates a further downturn in passenger numbers to continue for the remainder of the 2020 financial year.

“This is an extremely challenging time for our industry. As with the airlines, fewer landings and fewer passengers have a direct impact on our aeronautical revenues, so we are all feeling it and sharing in the downturn.

“This includes our partners in the Auckland Airport business community. We recognise we have an important role in assisting the industry to manage its way through the outbreak, and our focus remains on maintaining our operations and supporting the Ministry of Health and border agencies in protecting New Zealand against the spread of COVID-19,” said Mr Littlewood.

“The new earnings guidance reflects today’s updated view on passenger numbers and our decision to introduce a range of support measures for specific airport partners for the remainder of the 2020 financial year.”

Board Chair Patrick Strange said the new measures would accompany the work Auckland Airport is already doing with Tourism New Zealand, Auckland Tourism, Events and Economic Development (ATEED) and other government partners to support the tourism market through the outbreak and into the recovery phase when it eventuated. This work also includes identifying opportunities to keep existing import and export air cargo routes open and connecting New Zealand exporters with international airlines to sustain trade.

“For our own business, we are continuing our disciplined approach to operating costs and ensuring our organisation remains resilient as we navigate our way through this challenging period,” said Mr Strange.

This week the Board of Slot Co-ordination NZ voted to relax airport slot rules so airlines flying in and out of New Zealand have the ability to reduce flight numbers during the impact of COVID-19, with the certainty they can retain their historic slots and re-establish services when market conditions improve. Auckland Airport has been a key supporter of this decision.

Mr Strange said the full impact of COVID-19 on Auckland Airport's operating and financial performance could not yet be determined. However, based on the information available today, Auckland Airport has revised its previous guidance of underlying earnings from \$260

million to \$270 million to between \$210 million and \$235 million for the financial year to 30 June 2020.

ENDS

For further information please contact:

Investors:

Investor Relations

Stewart Reynolds

+64 9 257 7059

stewart.reynolds@aucklandairport.co.nz

Media:

Head of Communications and External Relations Libby Middlebrook

+64 21 989 908

libby.middlebrook@aucklandairport.co.nz