

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

MARKET ANNOUNCEMENT

13 December 2023

Air New Zealand updates progress on first half FY24 earnings guidance

Following a further two months of operating performance since guidance was given, Air New Zealand now expects first half earnings for FY24 to be around the bottom end of its \$180 million to \$230 million range initially provided on 12 October.

Early signs of softness in domestic travel, particularly corporate and government travel, which were noted in the 12 October update have continued, with late booking activity remaining weaker compared to the prior year. More recently, the airline has noted softer leisure demand in both the Domestic and Trans-Tasman markets.

Demand for travel to North America continues to be solid, albeit the airline is observing additional pricing pressure due to increased competition from US carriers. Asia and Pacific Islands demand remains unchanged. Air New Zealand will continue to monitor booking patterns closely.

As previously announced, \$45 million of Covid related credits that are highly unlikely to be redeemed by the extended expiry date are included within the above guidance range.

The airline continues to address the ongoing impacts of the global Pratt & Whitney engine issues on the business. In addition, economic and inflation risks remain and as a result, Air New Zealand is not providing full year guidance at this time. The airline cautions against extrapolating first half guidance and currently expects the second half of the financial year to be increasingly challenging.

Ends

This announcement has been authorised for release to NZX and ASX by Jennifer Page, General Counsel & Company Secretary (jennifer.page@airnz.co.nz).

For investor relations queries, please contact:

Kim Cootes
Head of Investor Relations
Email: kim.cootes@airnz.co.nz
Phone: +64 27 2970 244

Air New Zealand postal address: Private Bag 92007, Auckland, 1142, New Zealand
Investor Relations email: investor@airnz.co.nz
Investor website: www.airnewzealand.co.nz/investor

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