

15 October 2020

Auckland International Airport Ltd (AIA)

The company will hold its Annual Shareholders Meeting **10.00am Thursday 22 October 2020**.

You can join the meeting at <https://www.virtualmeeting.co.nz/agm/aia20/register>

After a first half year which saw the commencement of a series of infrastructure projects the second half was dominated by the impact of Covid-19. Total passenger numbers were down 26.5% at 15.5 million made up of international 8.5 million and domestic 7 million. As a result, the company reduced staff and contractor numbers by 25%.

Some years ago, the company began to diversify its operations from a pure airfield operator and this strategy has somewhat offset the Covid issue with rentals up 4% at \$104 million and the investment property portfolio value up 17% at \$2 billion.

The International Air Travel Association (IATA) and Standard and Poor's forecast a full recovery in international travel in three years but the company believes the recovery will take longer. It is hopeful that Tasman and Pacific Island travel will recover in FY21 and media reports indicate there may be some limited trans-Tasman travel by the end of this year. The company believes domestic travel will recover within 2 years.

In April, the company raised a record \$1.2 billion by way of a \$1 billion placement and an oversubscribed Share Purchase Plan of \$200 million.

In May, with the low number of flights, it brought forward a planned \$26 million runway improvement. This was the result of earlier criticism around flight delays due to maintenance issues with the main runway. Capital expenditure for FY21 is expected to be between \$250 million and \$300 million down from \$370.8 million in FY20.

Due to the current uncertainty the company has not made any forecasts for FY21 but may make an announcement at the Annual Meeting or when the interim results are announced in February 2021.

Revenue was down 23.7% at \$567 million, EBITDAF was down 53.1% at \$260.4 million and NPAT was down 63% at \$193.9 million.

The share price fell from \$9.45 in November 2019 to \$4.59 in March 2020 and has since recovered to \$7.60.

Board Composition

The Board comprises an Independent Chair and 7 Independent Directors. This Board has long been an exemplar as regards governance and diversity. It now has 5 women and continually participates in the Future Director Programme.

Resolutions

1. To re-elect Julia Hoare as an Independent Director.

Julia Hoare was appointed to the Board in October 2017. She is a chartered accountant and a director of a2 Milk, Watercare Services, Port of Tauranga and Meridian Energy.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. That the Board is authorised to fix the auditor's remuneration for the coming year.

This is an administrative resolution.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://vote.linkmarketservices.com/AIA/>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **10.00am Tuesday 20 October 2020**.

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

STANDING PROXIES - AUTOMATICALLY APPOINT NZSA AS YOUR PROXY

MAKE YOUR VOTE COUNT!

Details on NZSA website.

The Team at NZSA.