

Airways Corporation of New Zealand Limited

Interim results announcement: 28 February 2023

	<i>6 months ended 31 December 2022</i>	<i>6 months ended 31 December 2021</i>	<i>% change</i>
Revenue from operating activities	\$NZ 110.8m	\$NZ 66.8m	65.9%
Net profit after tax	\$NZ 2.6m	\$NZ (\$18.9m)	113.8%
Service improvement (Capital) projects	\$NZ 18.7m	\$NZ 9.3m	101.1%
Dividend	No dividends are planned		

COMMENTS

We are pleased to be reporting positive results across key measures, despite post-pandemic challenges and the uncertainties that remain across the industry. Whilst we are seeing positive signs of recovery with the lifting of travel restrictions, the Airways Group's financial performance continues to be reflective of the constrained operating environment.

From June to December, we facilitated 232,173 flights through New Zealand skies, with one potential Category A air proximity event recorded within controlled airspace. There were no notifiable safety events involving Airways people at work.

The Group recorded an after-tax profit of \$2.6 million for the half year ended 31 December 2022, \$9.2 million higher than the budgeted loss. This is primarily due to air navigation services revenue being \$4.8m higher than forecast, resulting from a slightly higher than expected recovery in both domestic and international air traffic.

At December 2022, domestic flight movements reached 93% compared with the same period prior to COVID-19, with international flight movements reaching 73%.

Airways International Limited, our commercial subsidiary responsible for exporting Airways developed technologies and air traffic management expertise worldwide delivered a profit after tax of \$3.0 million (\$1.3 million higher than budget).

Capital spending is 44% down on budget. This reflects ongoing supply chain and labour availability issues, although we expect an uplift in the second half of the year.

We have now drawn \$60 million of the Government's \$95 million capital facility provided to Airways. Once again, we would like to thank the Government for the support received during this turbulent time.