

Results at a glance

June 2021

	30 June 2021 \$m	30 June 2020 \$m	Movement %
Financial Results			
Income	281.1	567.0	(50.4)
Operating expenses	109.6	306.6	(64.3)
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associate and joint ventures (EBITDAFI)	171.5	260.4	(34.1)
Share of profit of associate and joint ventures	21.1	8.4	151.2
Investment property fair value increases	527.3	168.6	212.8
Property, plant and equipment revaluation movement	(7.5)	(45.9)	83.7
Impairment of investment in joint venture	–	(7.7)	100.0
Derivative fair value movement	(0.5)	(1.9)	73.7
Depreciation	124.7	112.7	10.6
Interest expense	94.0	71.8	30.9
Taxation expense	29.0	3.5	728.6
Reported profit after taxation	464.2	193.9	139.4
Earnings per share	31.5 c	15.2 c	107.2
Underlying profit / (loss) after taxation ¹	(41.8)	188.5	(122.2)
Underlying earnings / (loss) per share	(2.8 c)	14.7 c	(119.0)
Dividends			
Total proposed dividend for the year (cents per share)	0.00 c	0.00 c	n/a
Total value of distributions for the year (\$ million)	–	–	n/a
Financial Position			
Shareholders' equity	7,933.5	6,637.1	19.5
Total assets	9,782.8	9,297.2	5.2
Debt to debt plus equity	14.9%	24.4%	
Debt to enterprise value ²	11.6%	19.4%	
Net debt to enterprise value ²	10.9%	12.5%	
Capital expenditure ³	195.7	370.8	(47.2)
Passenger and aircraft statistics – Auckland Airport			
International passenger movements including transits	602,125	8,473,946	(92.9)
Domestic passenger movements	5,841,514	7,047,108	(17.1)
Maximum certificated take-off weight (tonnes)	3,408,881	6,500,640	(47.6)
Aircraft movements	98,689	139,136	(29.1)
Queenstown Airport performance⁴			
International passenger movements	25,280	583,219	(95.7)
Domestic passenger movements	1,311,416	1,287,072	1.9
Revenue	27.8	46.7	(40.5)
EBITDAFI	17.1	31.3	(45.4)
Profit after taxation	1.7	17.6	(90.3)

Note:

1. Excluding investment property fair value increases, property, plant and equipment and derivative revaluations in the company and its associates, fixed asset write-offs, impairments and termination costs and the tax effect of these adjustments
2. Based on the share price as at 30 June 2021 of \$7.27 (30 June 2020 of \$6.57)
3. Net capital expenditure additions after capex write-offs and impairments of \$1.4 million in 2021 and \$62.2m in 2020
4. From non-audited management accounts of Queenstown Airport, which have not been apportioned for Auckland Airport's 24.99% minority interest in Queenstown Airport
5. The above information is provided for general information purposes only and contains both audited and unaudited information, information from third parties and both GAAP and non-GAAP financial measures. No representations or warranties are made as to the accuracy or completeness of the above information and therefore it should be read in conjunction with, and is subject to, Auckland Airport's audited Financial Report for the year ended 30 June 2021, prior annual and interim financial reports and Auckland Airport's market releases on the NZX and ASX



58.5%

Total passengers down
58.5% to 6,443,639



34.1%

EBITDAFI down
34.1% to \$171.5m

Results at a glance

continued

Appendix A

Reconciliation between reported profit after tax and underlying profit after tax for the years ended 30 June 2021 and 2020:

	2021			2020		
	Reported profit \$M	Adjustments \$M	Underlying profit \$M	Reported profit \$M	Adjustments \$M	Underlying profit \$M
EBITDAFI per Income Statement¹	171.5	-	171.5	260.4	-	260.4
Investment property fair value increase	527.3	(527.3)	-	168.6	(168.6)	-
Property, plant and equipment revaluation	(7.5)	7.5	-	(45.9)	45.9	-
Fixed asset write- offs, impairments and termination costs ¹	-	2.5	2.5	-	117.5	117.5
Reversal of fixed asset impairments and termination costs ¹	-	(19.4)	(19.4)	-	-	-
Derivative fair value movement	(0.5)	0.5	-	(1.9)	1.9	-
Share of profit of associates and joint ventures	21.1	(15.7)	5.4	8.4	0.8	9.2
Impairment of investment in joint venture	-	-	-	(7.7)	-	(7.7)
Depreciation	(124.7)	-	(124.7)	(112.7)	-	(112.7)
Interest expense and other finance costs	(94.0)	-	(94.0)	(71.8)	-	(71.8)
Taxation (expense) / credit	(29.0)	45.9	16.9	(3.5)	(2.9)	(6.4)
Profit / (loss) after tax	464.2	(506.0)	(41.8)	193.9	(5.4)	188.5

Note:

1. 2021 EBITDAFI includes a reversal of \$19.4 million of previously expensed fixed asset write-offs, impairments and termination costs, partially reversing the full \$117.5 million of costs that were booked in 2020. 2021 EBITDAFI also includes \$2.5 million of new fixed asset write-offs, impairments and termination costs.

As per the above table, we have made the following adjustments to show underlying profit after tax for the years ended 30 June 2021 and 2020:

- We have reversed out the impact of revaluations of investment property in 2021 and 2020. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy;
- Consistent with the approach to revaluations of investment property, we have also reversed out the revaluations of the land class of assets within property, plant and equipment in 2021 and the land, infrastructure, and runways, taxiways and aprons classes of assets within property, plant and equipment in 2020. The fair value changes in property, plant and equipment are less frequent than are investment property revaluations, which also makes comparisons between years difficult;
- We have reversed out the impact of capital expenditure write-offs, impairments and termination cost expenses and reversals for both the 2021 and 2020 financial years. In response to the COVID-19 outbreak, some capital expenditure projects were abandoned and fully written off and others were suspended and impaired. During the 2020 financial year, some of these abandoned or suspended projects incurred contractor termination costs which were provisioned for in 2020 with the actual amounts finalised during the 2021 financial year resulting in some reversals of 2020 expenses. The abandonment or suspension of live capital expenditure projects is extremely rare and is the direct consequence of COVID-19. These fixed asset write-off costs, impairments and termination costs are not considered to be an element of the group's normal business activities and on this basis have been excluded from underlying profit;
- We have also reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting on foreign exchange hedges, as well as any ineffective valuation movements in other financial derivatives. The group intends to hold its derivatives to maturity, so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18(b) of the financial statements;
- In addition, we have adjusted the share of profit of associates and joint ventures in both 2021 and 2020 to reverse out the impacts on those profits from revaluations of investment property and financial derivatives; and
- We have also reversed out the taxation impacts of the above movements in both the 2021 and 2020 financial years.



139.4%

Reported profit
after tax up
139.4% to \$464.2m



122.2%

Underlying profit
after tax down
\$230.3m to a loss of \$41.8m

