



Auckland Airport

Aeronautical Pricing Decision

Price setting event 4

Carrie Hurihanganui
Chief Executive

Philip Neutze
Chief Financial Officer

8 June 2023



Important notice

PSE4 Aeronautical Pricing Decision

Disclaimer

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Overview

Carrie Hurihanganui
Chief Executive



Overview

Auckland Airport sets out its long-term roadmap for upgrading New Zealand’s busiest gateway, including commissioning \$2.5 billion of priced aeronautical infrastructure over PSE4

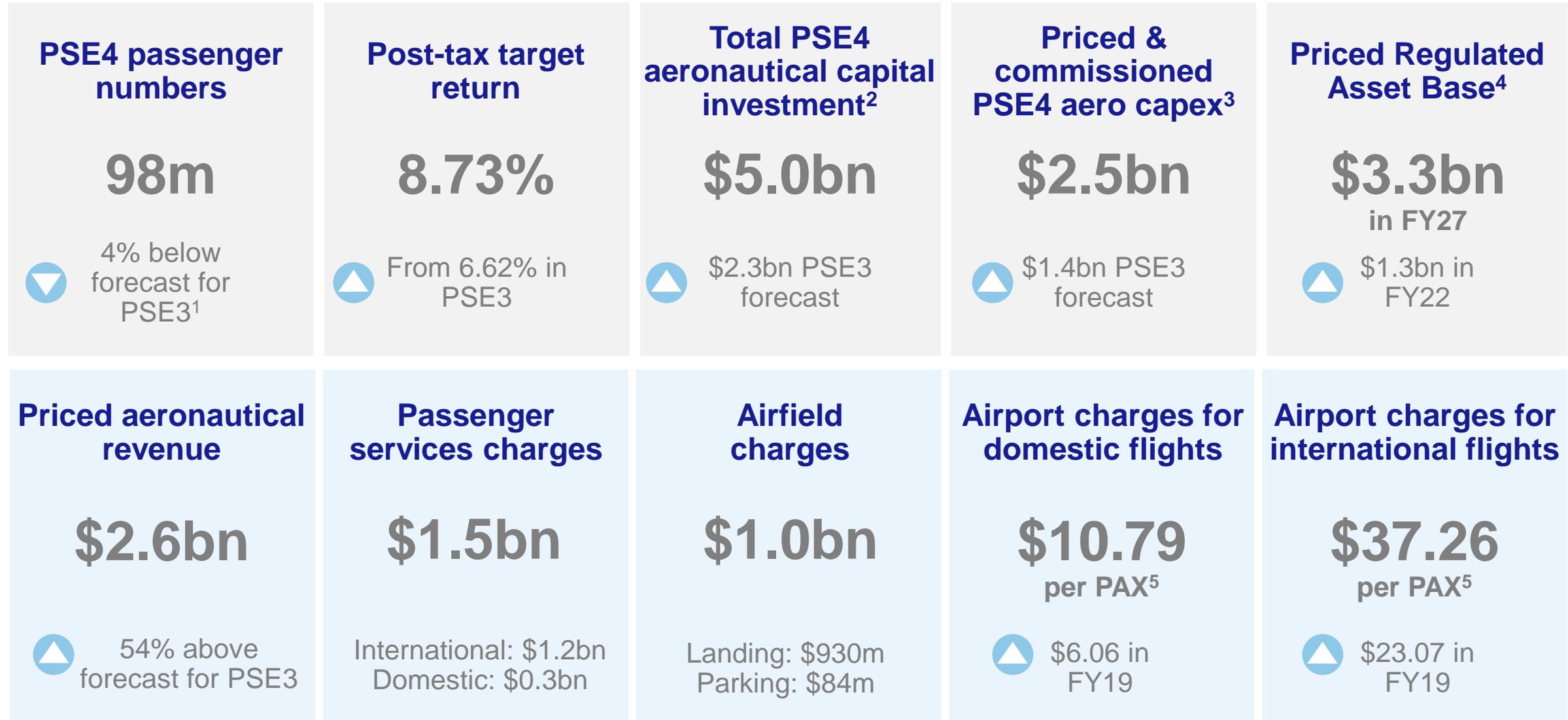
- With demand expected to continue to recover, Auckland Airport set out its roadmap for upgrading New Zealand’s busiest gateway
- The 10-year aeronautical infrastructure roadmap sets out the commissioning of \$5.6 billion¹ of priced aeronautical investment over the next ten years right across the aviation system
- The airport’s 10-year roadmap includes the construction of:
 - a new domestic terminal that will replace the ageing 57-year-old terminal and integrate it with international services;
 - investment in contingent runway operations to safeguard resilience; and
 - other projects including domestic terminal upgrades, a new baggage system to transform luggage handling, airfield expansion and renewals, a new transport hub, investment in roading as well as other renewals and capacity upgrades
- Auckland Airport has now set its aeronautical charges out to June 2027 - which are the charges airlines pay to use the infrastructure and services to operate at Auckland Airport
- Our prices must increase to fund this much needed investment

Monthly passenger numbers



1. This is the “Base” capex scenario. Whilst the 10-year aeronautical infrastructure roadmap consulted on with airlines as part of the PSE4 aeronautical pricing consultation also included a higher commissioned capex scenario (for PSE5 only), this Base scenario provides a deliverability risk-adjusted view of likely 10-year commissioned priced aeronautical capital expenditure. The PSE5 capex forecasts will be reviewed in detail and updated during the PSE5 aeronautical pricing consultation due to complete in June 2027.

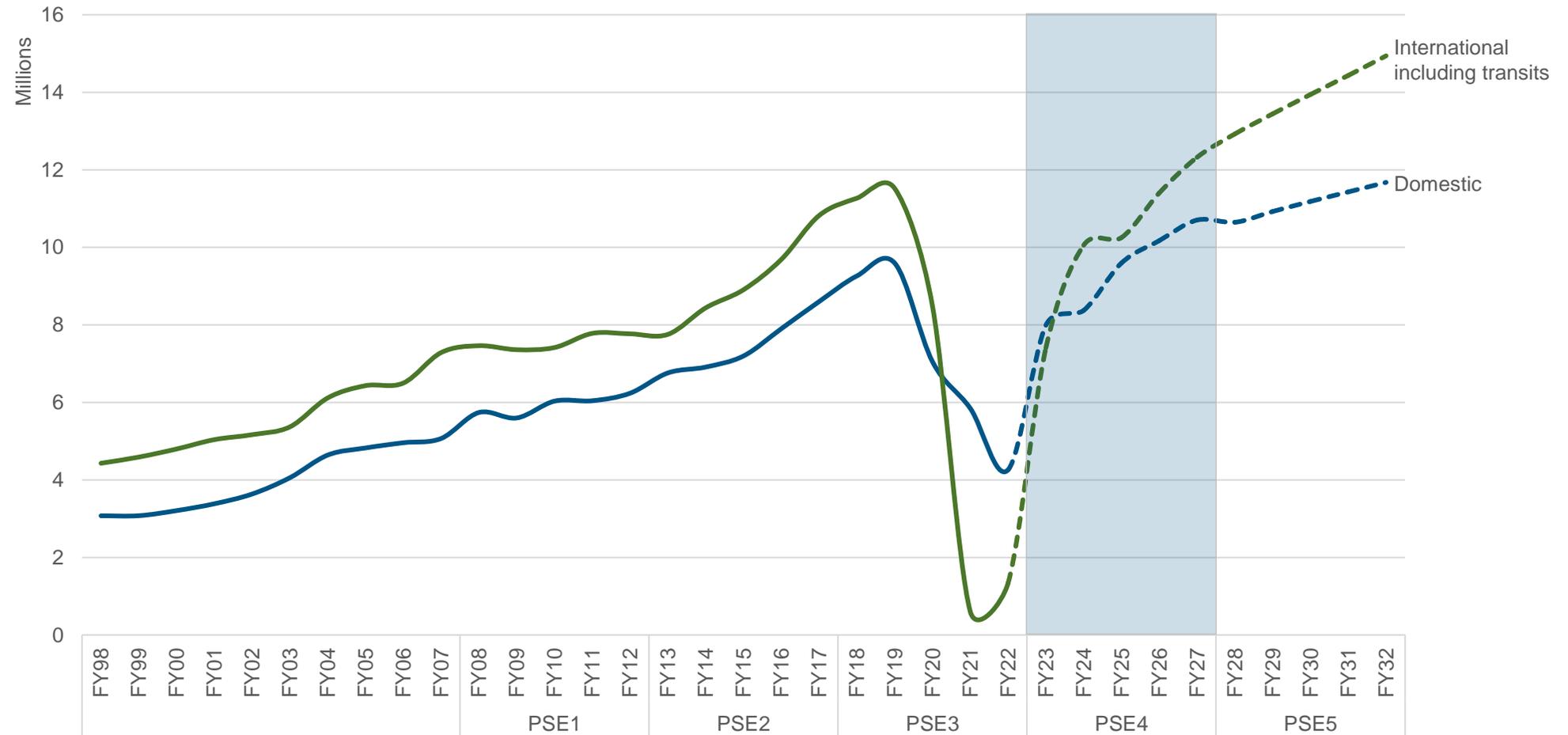
PSE4 pricing at a glance



Forecast recovery provides confidence in future demand

Significant airport infrastructure investment is required to serve forecast demand growth

35-year passenger growth trend



Note:

Historic data to FY22 represents total reported non-transit passenger movements and 50% of reported transit passenger movements. PSE4 and PSE5 forecast reflects the pricing volume assumptions for billable passenger movements, excluding non-billable passengers and is inclusive of a demand elasticity adjustment

Key projects that will transform the aviation system in Auckland



Ten-year roadmap

Projects are subject to change and may be replaced, deferred or cancelled

Significant upgrade to the domestic experience



Upgrade the existing domestic terminal to extend its useful life



A transport hub that will transform the guest experience



Future Mass
Transit

Transport Hub

Auckland
Airport

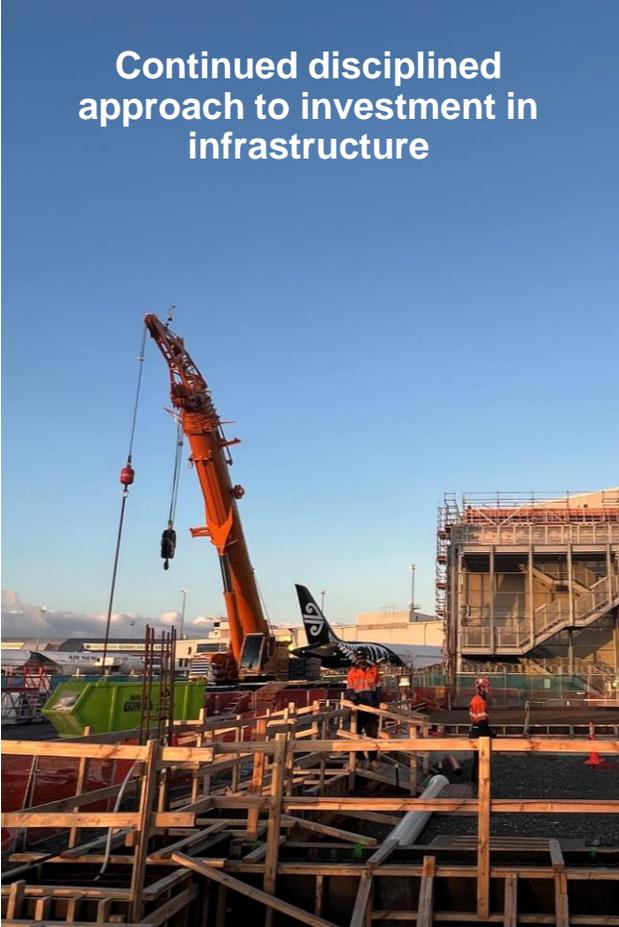
New airfield capacity to cater for future growth and resilience



- CONCRETE PAVEMENT - 133,515sqft
- OSE ASPHALT PAVEMENT - 41,633sqft
- ASPHALT SHOULDER PAVEMENT - 1,635sqft

Building a better future

Auckland Airport’s vision is to revitalise and inspire as we connect people and places. This roadmap sets out the delivery of \$5.6 billion of priced aeronautical investment over the next ten years that will create more resilience and deliver important upgrades travelers have been asking for



Pricing decision



Philip Neutze
Chief Financial Officer

Price Setting Event 4

Under the Airport Authorities Act Auckland Airport is required to consult with Substantial Customers (airlines) at least every five years before resetting aeronautical charges

- In June 2021 consultation with airlines commenced on prices for the PSE4 pricing period from 1 July 2022 to 30 June 2027
- With airline support the decision was taken to delay the first price reset for PSE4 by 12 months, and hold prices flat at FY22 levels for FY23 to help airlines rebuild following the pandemic
- Detailed parallel consultation processes have continued since then on the 10-year aeronautical capital investment roadmap, on separate components of that capital roadmap before material design and construction activity commenced, and all other building blocks elements that feed into determining required revenues and setting PSE4 price paths
- This presentation summarises key building blocks information that was used to determine aeronautical prices for PSE4
- In addition, this presentation also sets out additional information pertaining to PSE5 so that readers gain an understanding of the longer-term aeronautical infrastructure road map

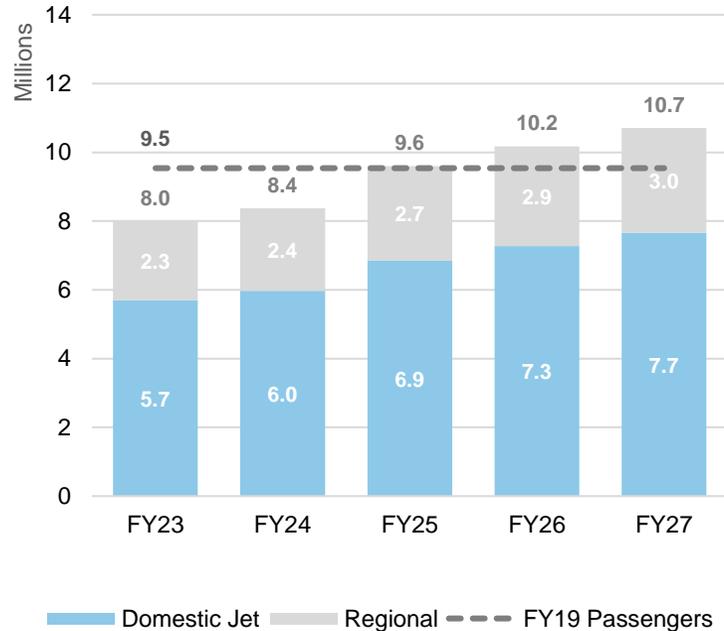


Cathay Pacific Airbus A350 returned to AKL in March 2023

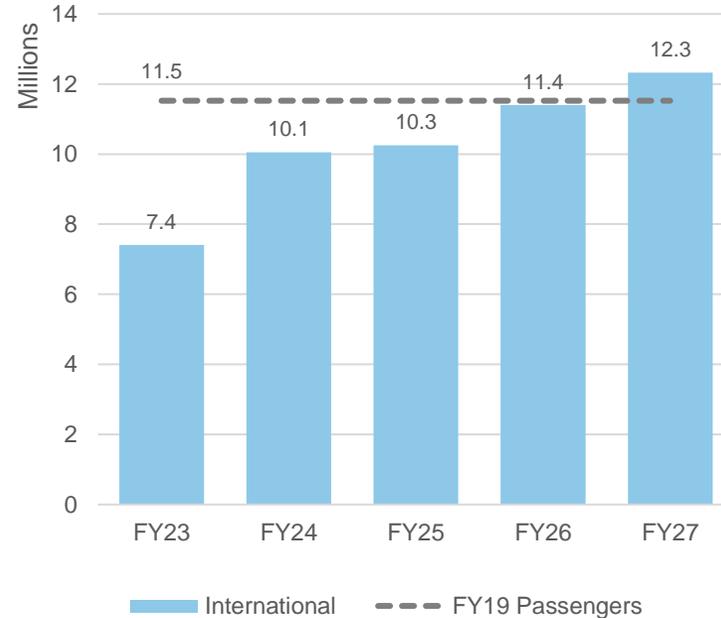
Traffic assumptions

Passenger traffic forecast to return to pre-COVID levels in FY25 for domestic and FY26 for international

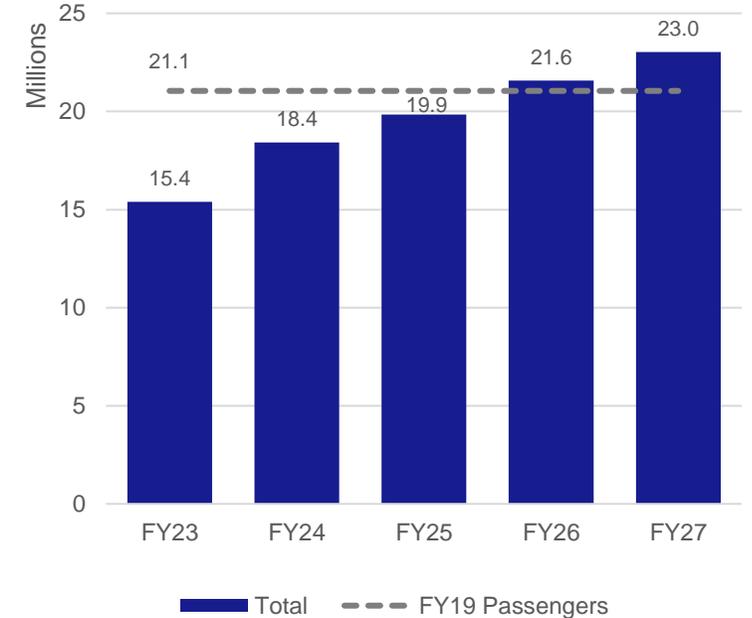
PSE4 domestic passenger forecast



PSE4 international passenger forecast



PSE4 total passenger forecast

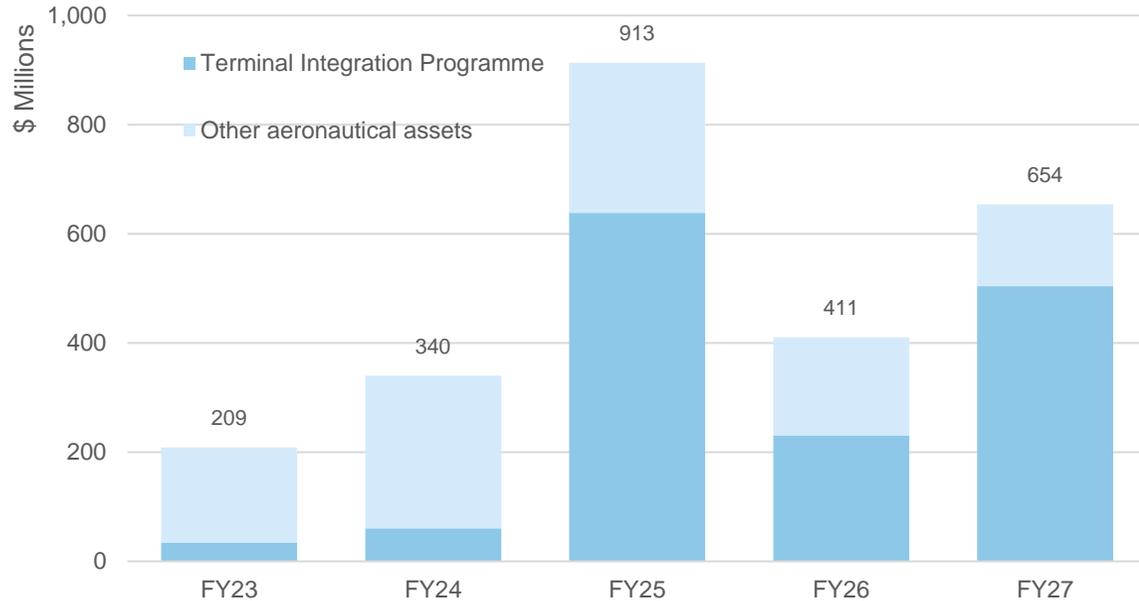


Note:
Econometric-based demand forecasts sourced from independent experts (DKMA), and informed by airline feedback and price elasticity of demand impact analysis (InterVISTAS)

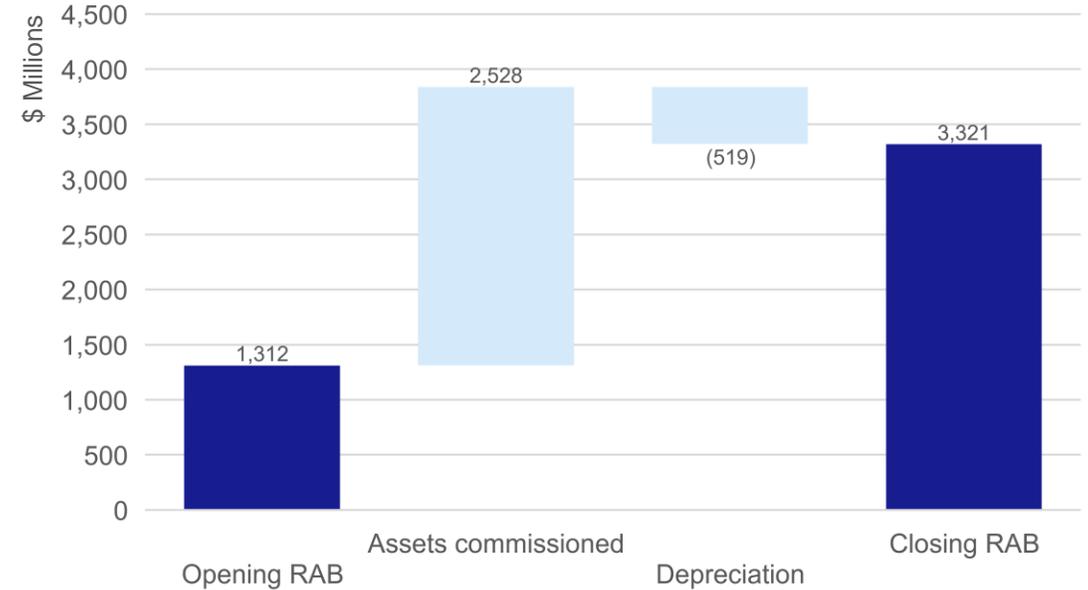
Significant investment to support the passenger demand

Auckland Airport plans to commission \$2.5 billion of aeronautical priced infrastructure during PSE4

PSE4 forecast commissioned asset value – priced aeronautical



Forecast priced aero asset base (nominal \$)



Note:
Nominal figures include escalation and holding costs

- Total spend on aeronautical capex of \$5 billion during PSE4, approximately half of which will carry over as works under construction and be commissioned during PSE5, of which \$1.6 billion relates to the terminal integration programme
- \$2.5 billion of priced aeronautical investment completed and commissioned during PSE4 pricing period including:
 - \$1.5 billion Terminal Integration Programme
 - \$1.0 billion in upgrades of the existing domestic terminal building, airfield expansion & renewals, new baggage system and Transport Hub aeronautical elements (e.g., passenger pickup and drop off)
- closing priced RAB for PSE4 of \$3.3 billion in FY27

Significant progress towards terminal integration in PSE4

Substantial work is planned to continue during PSE4 on the centrepiece of Auckland Airport's infrastructure investment programme, the integration of domestic jet services into the existing international terminal building

- Key enabling projects associated with terminal integration expected to commission in PSE4:
 - the relocation of the Airport Operations Centre;
 - construction of the new Eastern Bag Hall including provision of increased capacity; and
 - relocation of eastern airfield operations including livestock, ULDs, airside waste disposal facility and Checkpoint Charlie
- Detailed design underway with construction of the \$2.2 billion integrated terminal expected to take place over the next five to six years.



Aeronautical investment in PSE4

Key programmes of work forecast to be commissioned during PSE4 include:

Terminal Integration – enabling & early infra



Description

Multi-year programme of works to enable the delivery of a new domestic jet pier and headhouse integrated into the existing international terminal building.

Details

- Airfield capacity including stands and stormwater upgrades
- New baggage system with greater speed, accuracy and capacity, providing more convenience to travellers
- Expansion of international check in area to accommodate domestic
- International arrivals upgrades
- Terminal roading and forecourts

Value

\$1.5 billion of priced aeronautical assets expected to commission in PSE4

Domestic Terminal upgrades



Provides the upgrades necessary to accommodate domestic jet operations through to the opening of the integrated domestic terminal in 2028/29.

- Building upgrades to utilities, refresh of bathrooms and wayfinding
- Forecourt and roading upgrades
- Additional regional aircraft stand capacity to meet forecast demand

\$147 million of priced aeronautical assets expected to commission in PSE4

Transport Hub



The development will transform how travellers arrive and depart from the main airport terminal, while paving the way for any future mass rapid transit to deliver passengers direct to terminal.

- Pick-up and drop off facilities for passengers
- Dedicated Airport Operations Centre
- Non-aeronautical facilities include 4-level multi-story car park
- Future-proofed for mass rapid transit

\$77 million of priced aeronautical assets expected to commission in PSE4 and \$302 million of assets not recovered through aeronautical charges

Aeronautical investment in PSE4 (cont'd)

Key programmes of work commissioned during PSE4 include:

Aeronautical programme



Description

The aeronautical capacity programme includes upgrades to the international terminal facilities and airport emergency services

Details

- Upgraded international transfer security screening
- Improved amenity and facilities in the airside of the International Terminal (i.e. Pier A)
- A reduction in emissions
- Upgrades to existing Airport Emergency Services Station
- International arrivals healthcare facility

Value

\$76 million of priced aeronautical assets expected to commission in PSE4

Airfield renewals



Airfield renewals programme will invest to maintain and renew airfield pavements and ground lighting assets

- Pavement renewals are ongoing and part of business as usual practice
- Airfield and ground lighting assets have recently been acquired from Airways and require substantial maintenance capex and upgrades

\$302 million of priced aeronautical assets expected to commission in PSE4

Other projects



Other investments across the airport precinct for assets renewals, investment in roading to improve overall traffic flow on the precinct, utility capacity upgrades

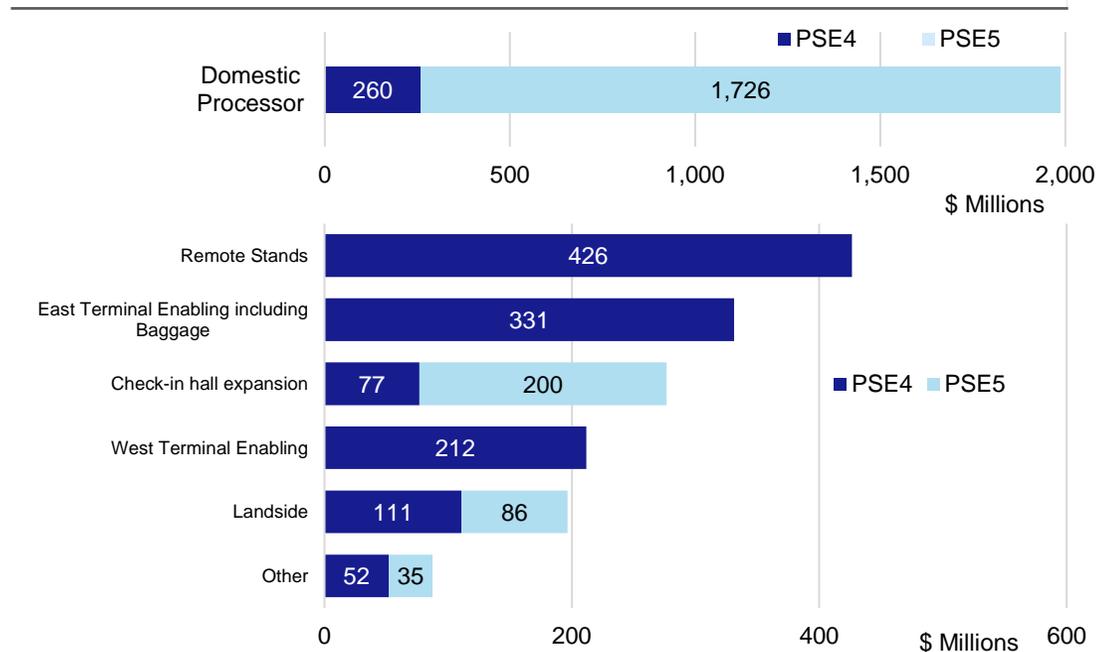
- Renewal and minor upgrades to existing terminal and enterprise infrastructure
- Delivery of roading upgrades at Te Ara Korako Drive and Laurence Stevens Drive, including high occupancy vehicle lanes
- Utilities upgrades for wastewater and electricity

\$458 million of priced aeronautical assets commissioned in PSE4

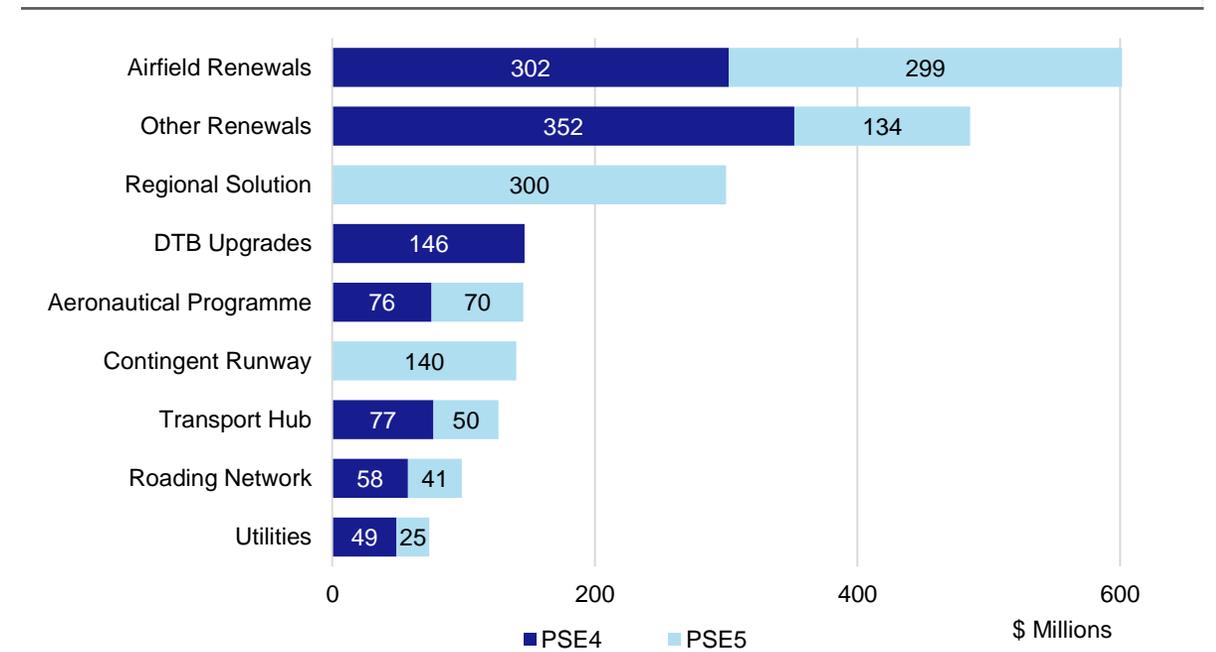
10-year capital investment plan

\$5.6 billion of priced aeronautical investment forecast to be commissioned over PSE4 and PSE5 (10 years), with \$3.1 billion commissioned in PSE5 as the Terminal Integration Programme is completed

Terminal Integration Programme – priced aeronautical assets commissioning - \$3.5 billion



Other priced aeronautical assets commissioning - \$2.1 billion



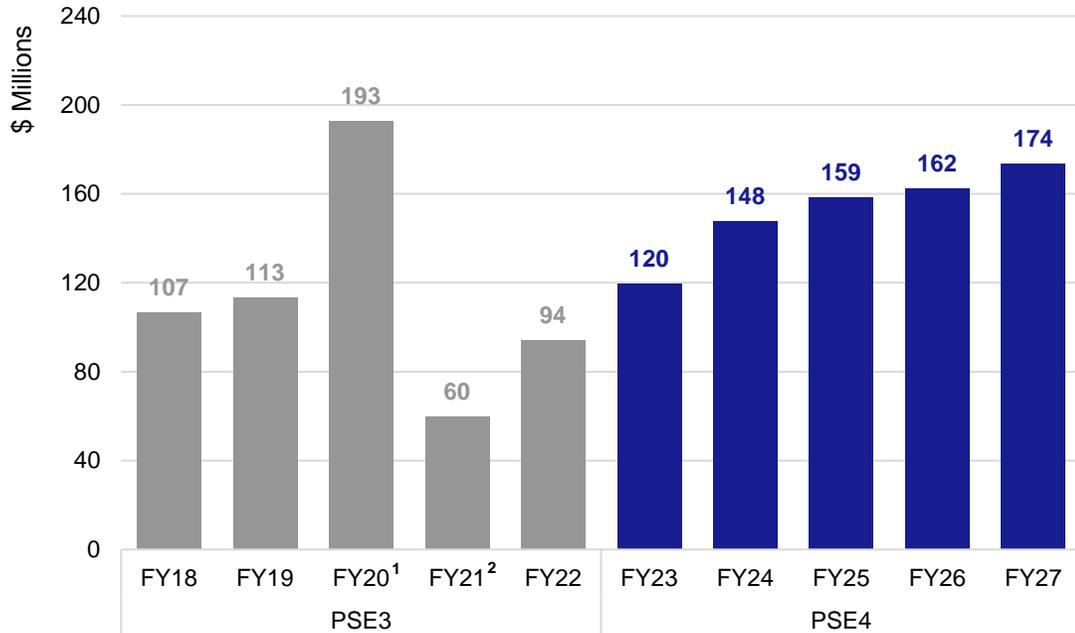
- Terminal Integration Programme - \$3.5 billion total priced aeronautical asset commissioning over the 10 years
- \$1.5 billion of assets commissioned during PSE4
- \$2.0 billion of assets commissioned during PSE5, including completion of the integrated domestic terminal

- \$2.1 billion of other priced aeronautical investment across the 10 years to FY32
- \$1.0 billion Commissioned during PSE4, with an additional \$1.1 billion in PSE5
- Additional projects in PSE5 to provide terminal and roading capacity could be triggered dependent on demand – further airline consultation on these projects ahead of setting PSE5 prices
- Second runway remains on hold – timing to be informed by further airline consultation

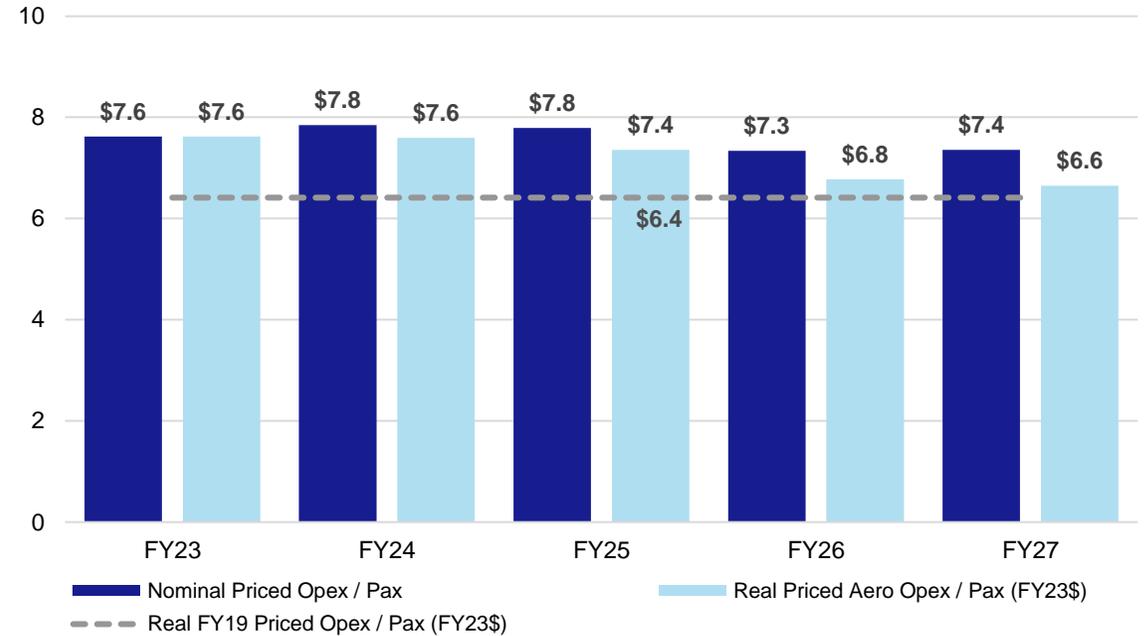
Operating costs

Real operating costs per passenger forecast to return close to pre-COVID FY19 baseline over PSE4

PSE4 priced aeronautical operating costs



PSE4 priced aeronautical operating costs per PAX



- Aeronautical operating costs are forecast to grow, reflecting passenger growth and inflation
- Real operating costs per passenger (deflated using CPI) is forecast to return close to pre-COVID FY19 levels by FY27

Tariff structure

Auckland Airport's tariff structure remains largely unchanged other than increased transit charges and the introduction of demand and capex wash up mechanisms

	International passenger charge	Transit passenger charge	Domestic passenger charge	Regional passenger charge	Landing charges	Aircraft parking charge	International check-in & bag drop	Runway land charge	Capex wash-up	Demand wash-up
PSE3	<ul style="list-style-type: none"> Levied on a per passenger movement basis 	<ul style="list-style-type: none"> Levied on a per passenger movement basis 	<ul style="list-style-type: none"> Levied on a per passenger movement basis 	<ul style="list-style-type: none"> Levied on a per passenger movement basis 	<ul style="list-style-type: none"> Charge per aircraft movement that differs based on the maximum certified take-off weight ("MCTOW") 	<ul style="list-style-type: none"> Time based charge for parking with exemptions to encourage efficient use of airfield 	<ul style="list-style-type: none"> Usage based charge for facilities with incentives to drive efficiency 	<ul style="list-style-type: none"> Runway land charge to be introduced once construction based triggers are met 	New in PSE4	
PSE4	<ul style="list-style-type: none"> No change to tariff structure 	<ul style="list-style-type: none"> Now set equal to the International Passenger Charge (rather than half), but still applying only to arriving transit PAX No change to structure 	<ul style="list-style-type: none"> No change to structure 	<ul style="list-style-type: none"> No change to structure 	<ul style="list-style-type: none"> Minor relativity change for aircraft < 6 tonnes No change to structure 	<ul style="list-style-type: none"> Parking exemption for domestic freighters reduced from 48 hours to 12 hours from 1 July 2024 to help alleviate airfield congestion 	<ul style="list-style-type: none"> No change to structure 	<ul style="list-style-type: none"> Runway Land Charge set to \$0.00 for remainder of PSE4 No change to structure 	<ul style="list-style-type: none"> One-way washup into PSE5 to reduce PSE5 charges should commissioned capex delivery underperform forecast by more than 7.5% & IRR exceed forecast by more than 75 basis points after tax 	<ul style="list-style-type: none"> Two-way wash-up into PSE5 should PSE4 priced aero revenues over or under perform forecast by more than 15% & IRR over or under perform forecast by more than 75 basis points after tax

Target return

Auckland Airport is targeting a post-tax target return of 8.73% reflecting the mid-point weighted average cost of capital

- 8.73% Target return based on Commerce Commission’s 2016 WACC IM Methodology midpoint estimate (50th percentile) with all data updated as at 30 June 2022 (start of PSE4), but 5 BP downwards adjustment to asset beta discontinued
- WACC expert (Competition Economics Group) independently validated Auckland Airport’s approach including detailed empirical analysis showing no evidence supporting the 5 BP downwards adjustment for the aeronautical segment of airport companies
- We also adopted the Commission’s most recent estimate tax adjusted market risk premium estimate of 7.5%
- Commerce Commission’s draft WACC IM determination is expected sometime later in June 2023, to be finalised in December 2023
- Should the Commission make material changes to the long-standing WACC IM Methodology that it has actively encouraged regulated airports to apply since 2010, Auckland Airport would expect the Commission's new viewpoint to be reflected in its formal review of our PSE4 aero pricing decision that we expect to be published sometime in H1 calendar 2024
- Auckland Airport will consider the Commission’s view at that time

Target return build up

	PSE3	PSE4	Reference
Risk free rate	2.76%	3.60%	(1)
Investor tax rate	28%	28%	(1)
Asset beta	0.63	0.80	(2)
Equity beta	0.777	0.930	(2)
Tax adjusted market risk premium	7.0%	7.50%	(3)
Cost of equity	7.43%	9.57%	
Debt margin	1.45%	1.17%	(1)
Debt issuance costs	0.20%	0.20%	(1)
Cost of debt (pre-tax)	4.41%	4.97%	(1)
Corporate tax rate	28%	28%	(1)
Ratios			
Debt to value ratio	19%	14%	(2)
Equity to value ratio	81%	86%	
Post-tax WACC	6.62%	8.73%	

Ref

Source

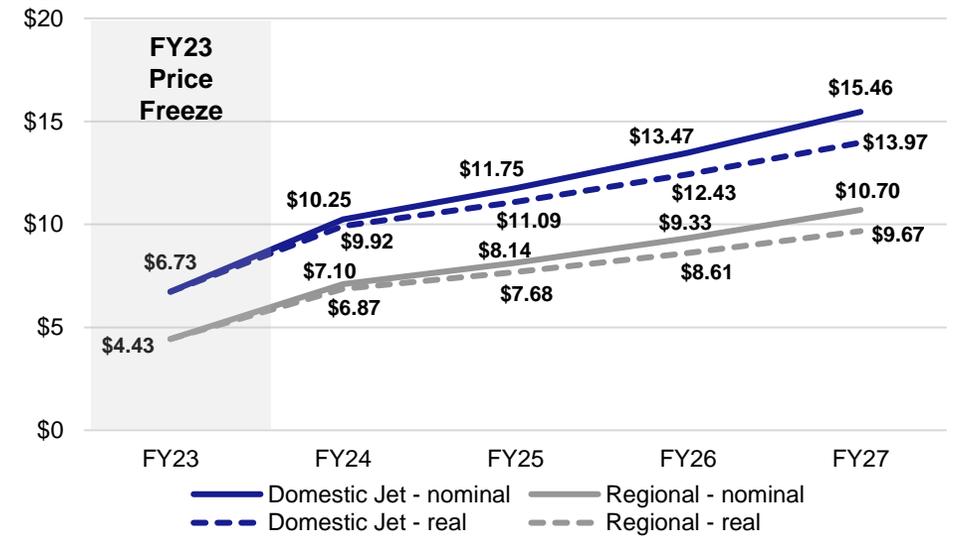
- (1) [NZCC Cost of capital determination for disclosure year 2023 for information disclosure regulation \(for airport services\), 2 August 2022](#)
- (2) Competition Economics Group report for Auckland Airport
- (3) [NZCC Fibre Input Methodologies Determination 2020](#)

PSE4 Price setting decision

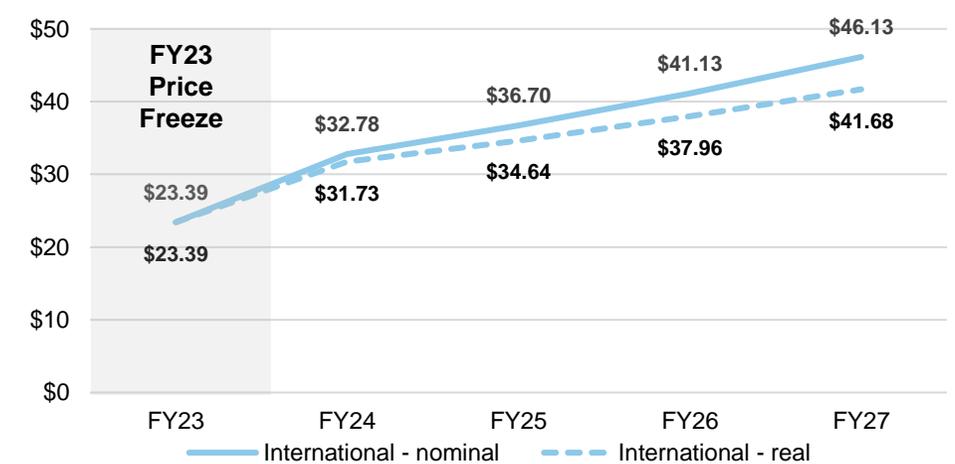
With significant investment right across the airport precinct, aeronautical charges will increase over PSE4, but will remain competitive with comparable airports

- In setting PSE4 aeronautical charges, we have considered what investment is needed, the recovery of forecast operating expenditure and a fair and reasonable return on investment
- Charges will rise following the current price freeze, with the increases driven by a combination of:
 - \$2.5 billion of priced commissioned assets to be delivered during PSE4;
 - catch-up of the more than \$100 million revenue shortfall in FY23 (year one of PSE4) owing to the price freeze in place while passenger and aircraft movements remained well below pre-COVID levels; and
 - a higher target return due to higher interest rates, and a higher systematic risk premium – the COVID pandemic has unfortunately demonstrated that airports operate in a higher risk environment than previously thought. This was borne out in the data used to calculate the midpoint WACC estimate to set the target return for PSE4

PSE4 domestic aeronautical charges per passenger



PSE4 International aeronautical charges per passenger



Note: Real prices based on FY23 dollars

FY24 aeronautical prices

FY24 prices are very competitive with airports in the region

PSE4 price paths – domestic benchmarks – FY24 - \$NZD¹



PSE4 price paths – international benchmarks – FY24 - \$NZD²



Domestic charges remain competitive with major New Zealand airports during FY24

- Domestic charges will be below Wellington and Christchurch Airports in FY24, and remain below Christchurch's current charges for the majority of PSE4

International charges are comparable with major Australian hubs in PSE4

- FY24 international charges are below those currently published by Sydney, Melbourne and Brisbane Airports

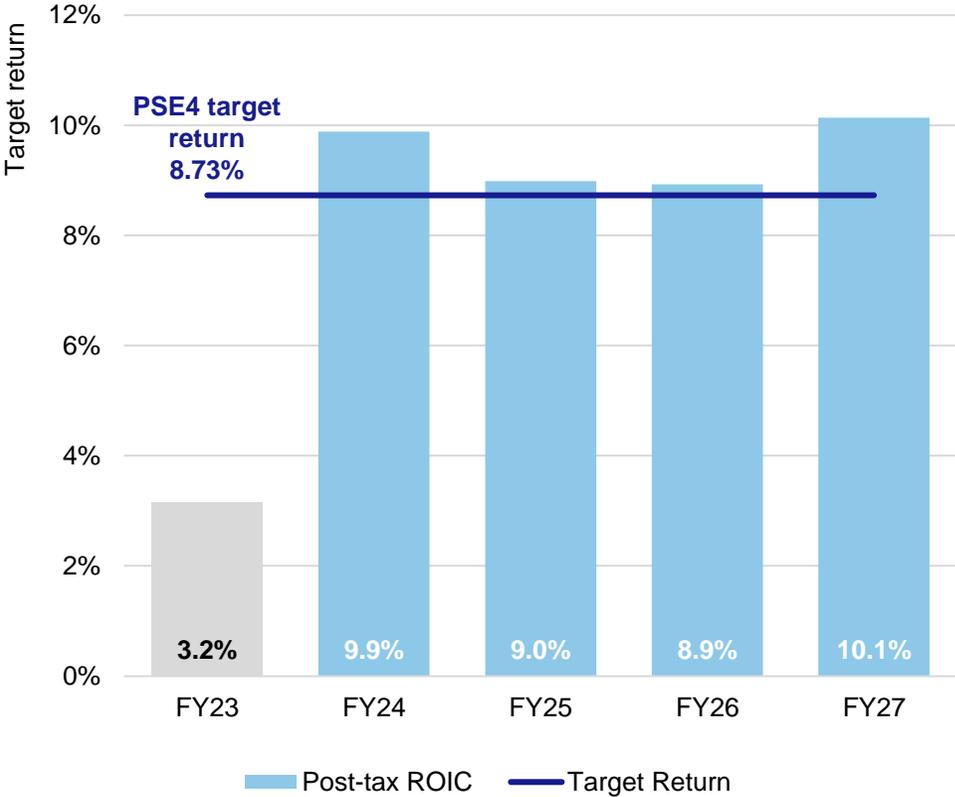
Further detail on aeronautical charges and price paths is included in the appendix

Forecast returns

The \$100 million plus revenue shortfall in FY23 due to the price freeze necessitates higher returns in FY24 to FY27

- To support airlines through the post-pandemic recovery, prices were frozen in FY23
- Owing to this, revenue was over \$100 million less than required in FY23 to achieve our PSE4 target return
- Targeting a full return over the PSE4 pricing period results in higher revenues in subsequent years to make-up for the FY23 shortfall
- This approach was agreed by airlines when we agreed the price freeze for FY23

Forecast return on invested capital for priced assets during PSE4



New pricing tariff structures

Wash-up mechanisms introduced to appropriately share risk with customers

Demand wash-up



- A two-way wash-up introduced to partially mitigate asymmetric risk not compensated through the target return
- The demand wash-up is triggered to the extent that PSE4 priced revenues either exceed or fall short of the price setting forecast by more than 15% and PSE4 IRR exceeds or falls short of target return by more than 0.75% after tax
- The lesser of these shortfalls/surpluses would be washed up into PSE5 and either reduce or increase priced aeronautical revenues over that five-year period

Capex wash-up



- A one-way wash-up introduced to compensate airlines for excess returns achieved in PSE4 if Auckland Airport under-delivers the \$2.5 billion priced commissioned asset forecast for the period
- A wash-up in favour of airlines is triggered to the extent that commissioned priced assets are more than 7.5% below the price setting forecast and PSE4 IRR exceeds target return by more than 0.75% after tax
- The lesser of these shortfalls/surpluses would be washed up into PSE5 and reduce priced aeronautical revenues over that five-year period

Long term funding and capital management

Philip Neutze
Chief Financial Officer



Long term funding and capital management

Auckland Airport will continue to prudently manage the balance sheet to fund the infrastructure programme

- Auckland Airport continues to target an A- credit rating from Standard & Poor's
- Retaining A- optimises Auckland Airport's capital structure and is expected to maximise shareholder returns over the next 10 years relative to other credit ratings. It also provides access to the widest range of local and international debt markets at attractive margins
- The scale of the planned capital investment, both aeronautical (with works under construction reaching circa \$2.5 billion during PSE4) and continued investment in Till 2 and commercial property, may require Auckland Airport to raise new equity in the second half of PSE4
- The timing and scale of any equity raise is uncertain at this stage and will depend, amongst other things, on our performance against the PSE4 aeronautical capital expenditure roadmap, the scale of our Till 2 and commercial property investments and Standard & Poor's views on the deliverability of our forward capital plans



Emirates' Airbus A380 parked at Auckland Airport

Next steps

Carrie Hurihanganui
Chief Executive



Regulatory timeline

- Commerce Commission publishes draft WACC IM determination - mid-late June 2023
- New charges take effect from 1 July 2023
- Auckland Airport publishes full statutory Price Setting Disclosure (due 3rd week of August 2023, but may be released earlier in August)
- Commerce Commission publishes final WACC IM determination - December 2023
- Commerce Commission publishes its review of Auckland Airport's PSE4 price setting decision (we expect this sometime in H1 calendar 2024)
- Auckland Airport considers the Commission's view on our PSE4 price setting decision (H1 calendar 2024)



View of Auckland Airport's runway

Thank you



Appendix



Appendix: Background

Regulatory environment

- Airport charges are designed to achieve a fair return on significant investments in essential long-term national infrastructure
- All international and domestic airport charges are collected from airlines and form part of their cost of operations
- Pricing considerations include the Commerce Commission’s input methodologies, Auckland Airport’s weighted average cost of capital, the forecast regulatory asset base and operating costs, and benchmarking of comparable airport charges
- Prices are set for up to five years with annual increments. PSE4 applies to the period from 1 July 2022 to 30 June 2027. Prices from 1 July 2022 to 30 June 2023 were held at FY22 levels while capital expenditure and PSE4 aeronautical pricing consultation continued as the industry emerged from the pandemic
- This pricing decision is the outcome of a robust and constructive consultation process with airline partners over the last 2 years. Auckland Airport has actively engaged with the airlines and final prices have been informed by their feedback
- Pricing consultation covers airfield and passenger terminal related services, but excludes other revenues for aircraft and freight, VIP lounges, airline offices and other airline leased areas in the terminals. It also excludes other non-aeronautical areas of the business (retail, car parking and property)
- In February 2020, Auckland Airport announced a multi-billion dollar aeronautical capital roadmap including eight “anchor projects”. In March 2020, after COVID-19 took hold globally, New Zealand’s border was closed and Auckland Airport’s revenues were devastated, almost all of the programme was suspended to protect Auckland Airport’s financial viability
- With the COVID-recovery now advancing strongly, Auckland Airport is again progressing a once in a generation upgrade of our airport infrastructure

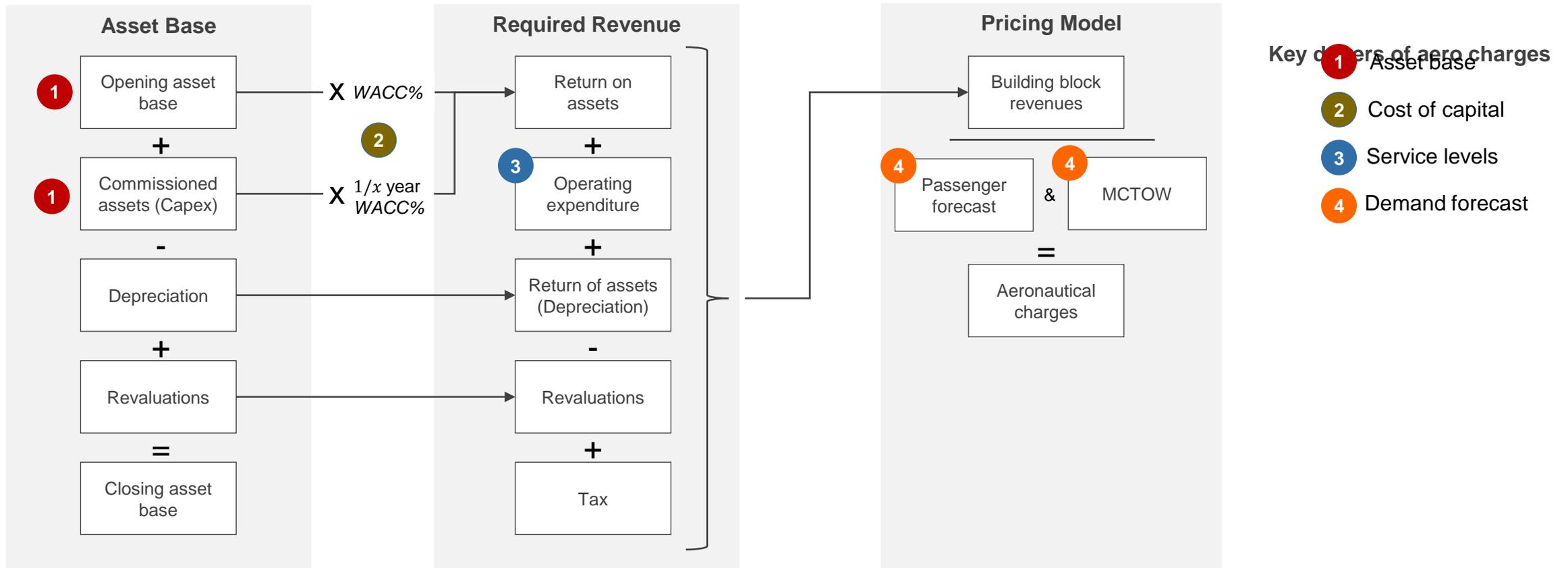
Appendix: Background

Information disclosure

- Since 2011, New Zealand's three largest airports including Auckland Airport have been subject to Information Disclosure requirements under Part 4 of the Commerce Act
- Airports disclose certain performance related information (financial, non-financial, historical and forward-looking)
- The Commerce Commission has determined a set of Input Methodologies to ensure information is disclosed in a consistent manner, e.g. asset valuation, cost allocation, cost of capital
- Information Disclosure and Input Methodologies do not prescribe how prices are to be set
- The aim of the regulation is to enable the Commerce Commission and other interested parties to assess whether the purpose of Part 4 is being met
- Auckland Airport has increasingly aligned its business with the objectives of Part 4 of the Commerce Act, namely:
 - having an appropriate incentive to invest and innovate;
 - providing services of the quality and range required by consumers;
 - generating efficiencies and sharing the benefits of those efficiency gains with consumers; and
 - earning a fair and reasonable return on the investments made

Appendix: regulatory model

- Aeronautical charges at Auckland Airport are determined using a building block model
- The objective of the model is to estimate the total revenue required each year over the pricing period to recover forecast costs, including the target return on invested capital
- Charges are reviewed by the Commerce Commission after they have been set



Appendix: PSE4 pricing schedule

Prices in NZD	Metric	FY22	PSE4 final pricing decision				
			FY23	FY24	FY25	FY26	FY27
Landing charges							
Aircraft less than 6 tonnes	\$ / landing	\$60.24	\$60.24	\$75.64	\$86.98	\$100.03	\$115.04
Aircraft greater than 6 tonnes but less than 40 tonnes	\$ / tonne per landing	\$8.73	\$8.73	\$12.74	\$14.65	\$16.85	\$19.38
Aircraft 40 tonnes and higher	\$ / tonne per landing	\$14.20	\$14.20	\$20.72	\$23.83	\$27.41	\$31.52
Parking charges							
ICAO aircraft code A or B	\$ / hour > 6 hours	\$20.00	\$20.00	\$21.00	\$22.05	\$23.15	\$24.31
ICAO C (designated apron)	\$ / hour > 6 hours	\$60.00	\$60.00	\$63.00	\$66.15	\$69.46	\$72.93
ICAO aircraft code C or D	\$ / hour > 6 hours	\$129.89	\$129.89	\$136.00	\$142.80	\$149.94	\$157.44
ICAO aircraft code E or F	\$ / hour > 6 hours	\$259.78	\$259.78	\$273.00	\$286.65	\$300.98	\$316.03
Runway Land Charge							
Runway Land Charge	\$ / PAX age 2+	\$1.19	\$1.19	\$0.00	\$0.00	\$0.00	\$0.00
Passenger charges							
Domestic (DPC)	\$ / PAX age 2+	\$3.10	\$3.10	\$5.05	\$5.80	\$6.67	\$7.67
Regional (RPC)	\$ / PAX age 2+	\$2.64	\$2.64	\$4.53	\$5.21	\$5.99	\$6.88
International (IPC)	\$ / PAX age 2+	\$15.49	\$15.49	\$21.20	\$23.56	\$26.20	\$29.15
Transit (TPC) applying to arriving transiting passengers only	\$ / PAX age 2+	\$6.24	\$6.24	\$21.20	\$23.56	\$26.20	\$29.15

Appendix: PSE4 pricing schedule (cont'd)

Prices in NZD	Metric	FY22	PSE4 final pricing decision				
			FY23	FY24	FY25	FY26	FY27
International check-in standard allocation package charges							
Traditional counter	\$ / counter / hr	\$33.28	\$33.28	\$36.00	\$37.80	\$40.97	\$43.34
Dedicated kiosk and bag drop	\$ / customs departing PAX	\$1.33	\$1.33	\$1.40	\$1.47	\$1.59	\$1.69
Common use kiosk and bag drop	\$ / customs departing PAX	\$1.07	\$1.07	\$1.10	\$1.16	\$1.25	\$1.32
Check-in charges for units above the standard allocation							
Counter or bag drop counter	\$ / counter / hour	\$59.90	\$59.90	\$62.50	\$65.63	\$71.13	\$75.25
Kiosk	\$ / kiosk / hour	\$13.31	\$13.31	\$15.00	\$15.75	\$17.07	\$18.06
Mobile exception desk	\$ / desk / hour	\$9.88	\$9.98	\$11.25	\$11.81	\$12.80	\$13.54

Appendix: PSE4 demand schedule

Demand	Metric	PSE4 final pricing decision				
		FY23	FY24	FY25	FY26	FY27
Landings						
Aircraft less than 6 tonnes	Landings	4,675	5,633	5,751	5,835	5,903
Aircraft greater than 6 tonnes but less than 40 tonnes	MCTOW	485,838	499,720	562,975	590,425	614,716
Aircraft 40 tonnes and higher	MCTOW	5,642,632	6,973,027	7,273,920	7,989,632	8,568,521
Passenger movements						
International PAX	PAX age 2+	7,120,399	9,639,129	9,761,176	10,868,167	11,752,588
Transit PAX	PAX age 2+	287,303	416,249	490,652	535,393	573,643
Domestic PAX	PAX age 2+	5,699,314	5,974,626	6,856,363	7,276,685	7,661,866
Regional PAX	PAX age 2+	2,290,655	2,398,275	2,742,376	2,900,306	3,043,307

Appendix: PSE4 aeronautical revenue

	Metric	PSE4 final pricing decision				
		FY23	FY24	FY25	FY26	FY27
Landing charges						
Aircraft less than 6 tonnes	\$m	0.3	0.4	0.5	0.6	0.7
Aircraft greater than 6 tonnes but less than 40 tonnes	\$m	4.2	6.4	8.2	9.9	11.9
Aircraft 40 tonnes and higher	\$m	80.1	144.5	173.3	219.0	270.1
Total landing charges	\$m	84.6	151.3	182.1	229.5	282.6
Parking charges	\$m	12.1	15.4	16.4	18.8	21.0
Runway Land Charge	\$m	-	-	-	-	-
Passenger charges						
International (IPC)	\$m	110.3	204.3	230.0	284.8	342.6
Transit (TPC)	\$m	1.8	8.8	11.6	14.0	16.7
Domestic (DPC)	\$m	17.7	30.1	39.8	48.6	58.8
Regional (RPC)	\$m	6.0	10.9	14.3	17.4	21.0
Total passenger charges	\$m	135.8	254.1	295.6	364.7	439.0
Check-in charges and other priced revenue	\$m	8.6	10.2	10.3	10.7	10.6

Appendix: Commissioned priced aeronautical investment

\$m	PSE4					Total	PSE5	PSE4+PSE5
	2023	2024	2025	2026	2027		Total	Total
For the year to 30 June								
Terminal Integration Programme	34	60	639	231	504	1,468	2,047	3,516
Airfield renewals	51	60	72	69	51	302	299	601
Other renewals	93	74	72	55	59	352	134	486
Regional solution	-	-	-	-	-	-	300	300
Existing domestic terminal upgrades	6	11	57	44	29	146	-	146
Aeronautical capacity	3	29	38	5	-	76	70	146
Contingent runway	-	-	-	-	-	-	140	140
Transport Hub (priced aeronautical share only)	-	53	24	-	-	77	50	127
Roading network	9	48	-	-	-	58	41	99
Utilities	13	6	11	7	12	49	25	74
Total	209	340	913	411	654	2,528	3,107	5,634

Nominal priced commissioned values – includes escalation and holding costs

Appendix: Regulated Asset Base

\$m	PSE4				
	2023	2024	2025	2026	2027
For the year to 30 June					
Opening RAB	1,312	1,463	1,730	2,551	2,824
Assets commissioned	209	340	913	411	654
Depreciation	58	73	93	137	157
Closing RAB	1,463	1,730	2,551	2,824	3,321

Nominal priced commissioned values – includes escalation and holding costs

Glossary

PSE4 Aeronautical Pricing Decision

AKL or Auckland Airport	Auckland International Airport Limited
CPI	Consumers price index
IM	Input methodology
IRR	Internal rate of return
MCTOW	Maximum certified take off weight
PAX	Passenger movement
PSE3	Regulatory price setting event 3 from 1 July 2017 to 30 June 2022
PSE4	Regulatory price setting event 4 from 1 July 2022 to 30 June 2027
PSE5	Regulatory price setting event 5 from 1 July 2027 to 30 June 2032
RAB	Regulated asset base
ULD	Unit load device
WACC	Weighted average cost of capital