

Airways Corporation of New Zealand Limited

Interim results announcement: 28 February 2022

	<i>6 months ended</i> <i>31 December 2021</i>	<i>6 months ended</i> <i>31 December 2020</i>	<i>% change</i>
Revenue from operating activities	\$NZ 66.8m	\$NZ 71.8m	(7%)
Net profit after tax	\$NZ (\$18.9)m	\$NZ (\$13.8)m	(37%)
Service improvement (Capital) projects	\$NZ 9.3m	\$NZ 8.3m	12%
Dividend	No dividends are planned		

COMMENTS

The ongoing and often unpredictable pressures placed on the aviation industry by the COVID-19 pandemic have continued to test our resilience through the first half of this year. Despite this, keeping Kiwis safely connected to each other and the world has remained Airways' focus, and we are proud to have maintained excellent safety and operational performance for the 6 month period ending 31 December 2021.

From June to December we facilitated 168,600 flights through New Zealand skies. There were no serious operational safety occurrences or serious harm injuries involving our people.

The financial performance of the Airways Group reflects the challenging aviation environment. The Group recorded an after-tax loss of \$18.9 million for the half year ended 31 December 2021, \$8.8 million behind budget due to the extended domestic travel restrictions implemented in response to the COVID-19 Delta variant outbreak.

The domestic market for air travel was significantly impacted by the restrictions in the first half of the financial year and we now expect international borders to open later than we had planned. This will put further pressure on revenue for the remainder of the year.

The Commercial business, Airways International Limited, had a strong half year result due to above budget software sales. The Air Traffic Control Training business continues to be negatively affected by the New Zealand border restrictions and ongoing COVID-19 waves in other countries.

Capital spending is 61 percent down on budget. This reflects supply chain and labour availability issues, as well as local COVID-19 restrictions preventing work from going ahead.

We have now drawn \$30 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 these difficult and uncertain times.