

# Wellington International Airport Limited

## Infratil Investor Day

March 2024



**Matt Clarke, Chief Executive**



**Business Overview & FY24 Outlook**

**Passenger Traffic**

**Regulatory Environment**

**Capex Plans**

**PSE5 Progress**

**FY25 Drivers**





# Wellington Airport Overview

Gateway to New Zealand's capital city and central region



Western Aviation Leases

Lyall Bay Retail Park & Investment Properties

Hotel

Retail & Advertising

Ground Transport Business

Logistics & Other Aero Leases

**~5.4m Annual Passengers (Estimate for FY24)**  
85% Domestic / 15% International

**+2.7% Average Passenger Growth p.a.**  
20 years pre-Covid FY00 – FY20

**Aeronautical Business ~55% Revenue**  
Airline charges set every 5 years

**Diverse Commercial Business ~45% Revenue**  
Retail, advertising, property, transport & hotel



# FY24 Outlook

Gateway to New Zealand's capital city and central region



## FY24 Forecast



Passengers 5.4m



Aero Revenue \$86 - \$88m



Commercial Revenue \$70 - \$72m



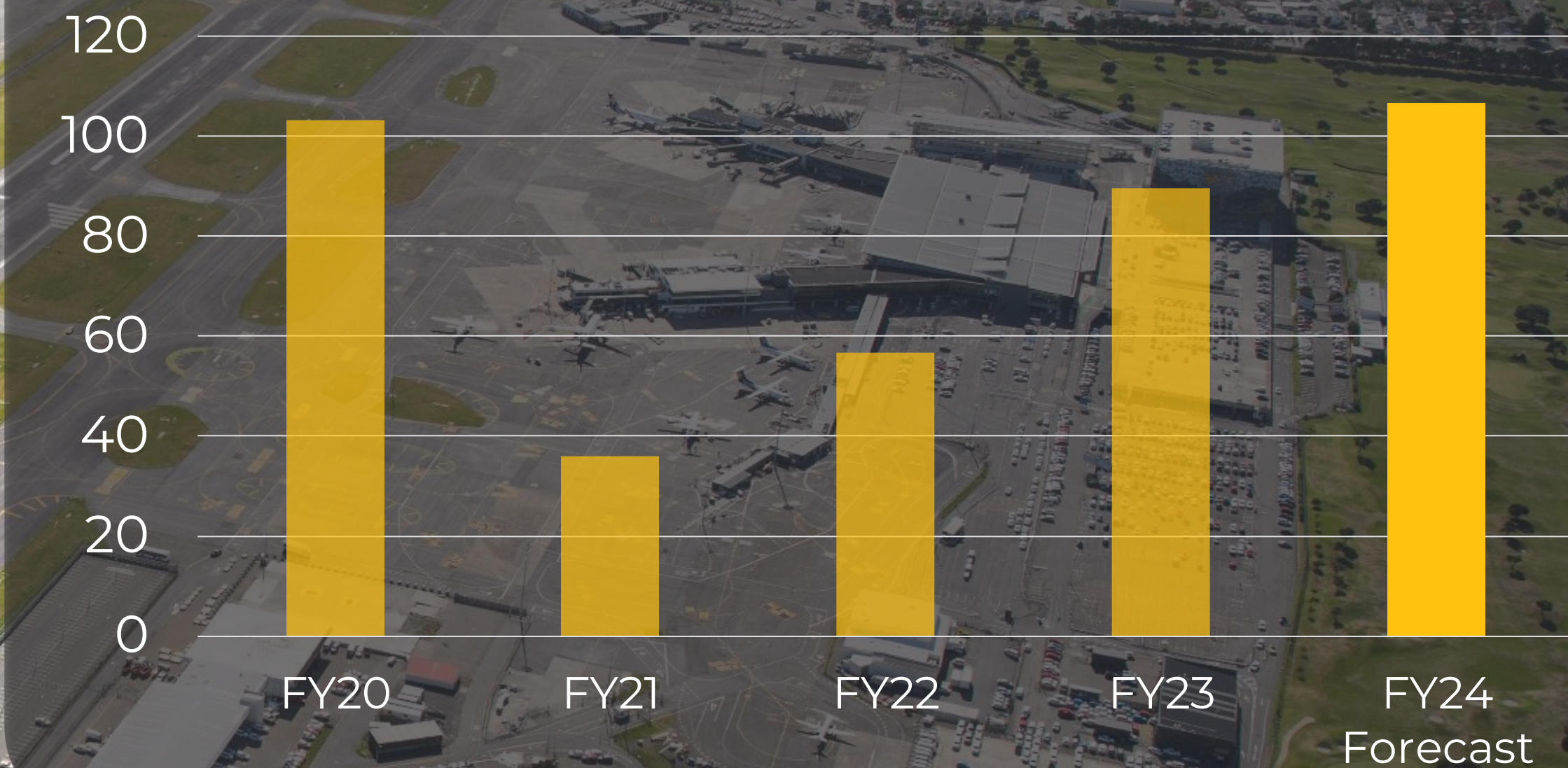
EBITDA\* \$106 - \$108m



Total Assets circa \$1.8bn

Financial figures are NZ\$.  
\* EBITDA is pre-subsidy payment.

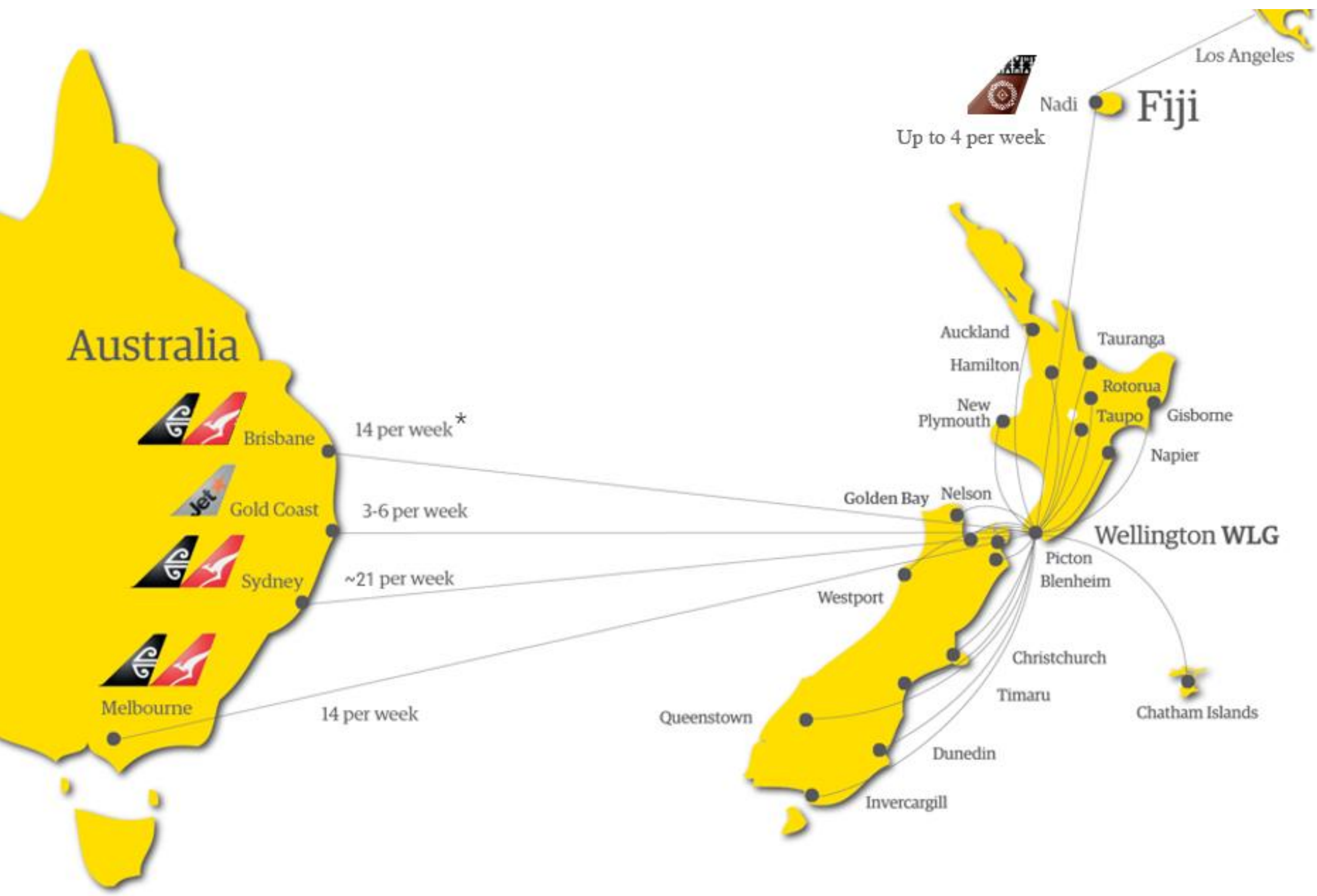
## EBITDA (\$m)





# Current Route Network

Domestic hub, trans-Tasman and Pacific services



## Domestic Daily Frequencies

Auckland	20	● ●
Blenheim	10	● ●
Chatham Islands	0.5	●
Christchurch	11	● ●
Dunedin	3	●
Gisborne	2	●
Golden Bay	1	●
Hamilton	6	●
Invercargill	2	●
Napier	4	●
Nelson	13	● ● ●
New Plymouth	3	●
Picton	2	●
Queenstown	3	● ●
Rotorua	3	●
Taupo	2	●
Tauranga	5	●
Timaru	2	●
Westport	2	●

## International Weekly Frequencies

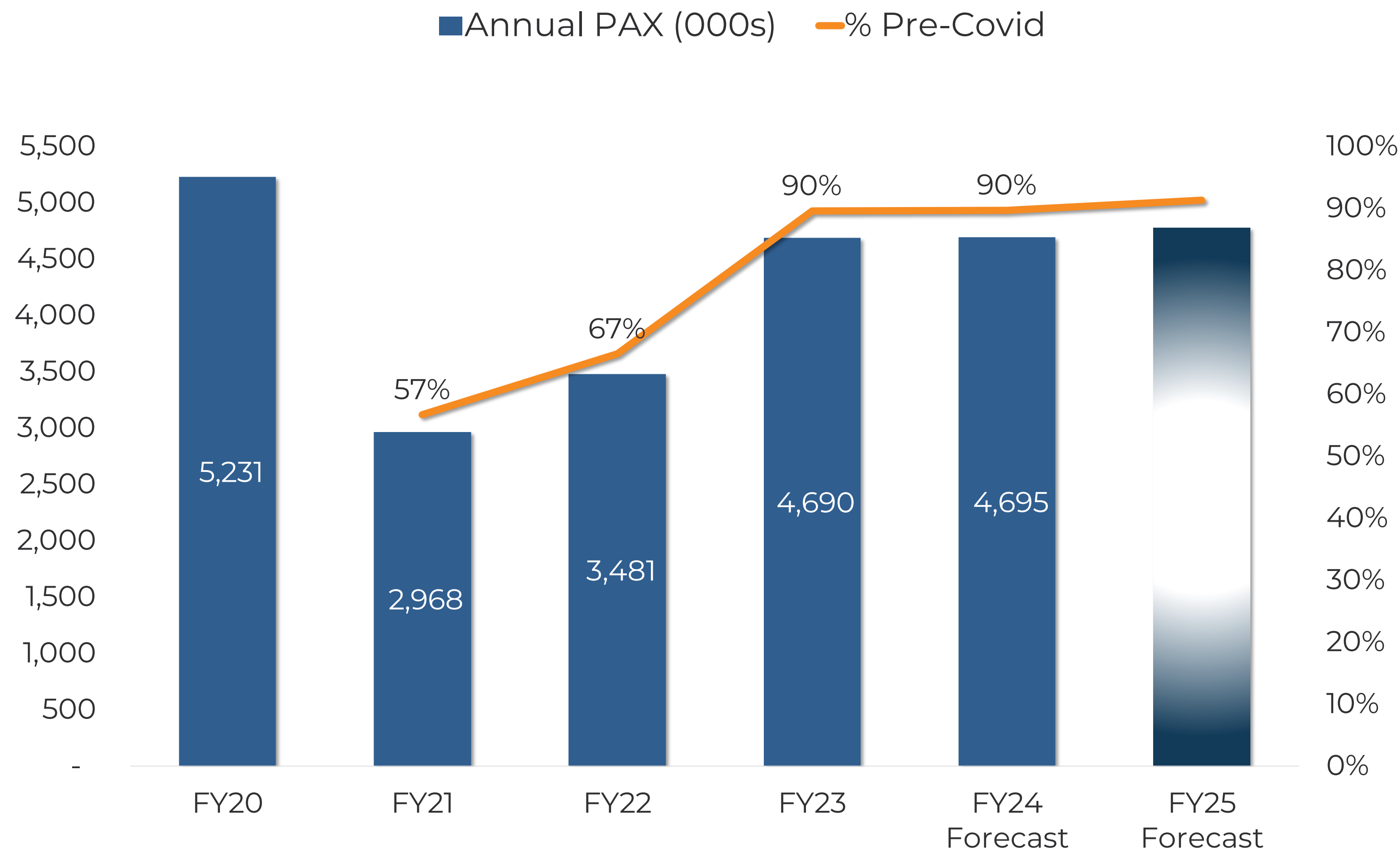
Brisbane	14	● ●
Fiji	Up to 4	●
Gold Coast	Up to 6	●
Melbourne	Up to 14	● ●
Sydney	Up to 28	● ●

## Airlines



# Update on Passenger Numbers

## Domestic



**AIR NEW ZEALAND**

- ~4m PAX
- 95% capacity recovery
- ~83% share

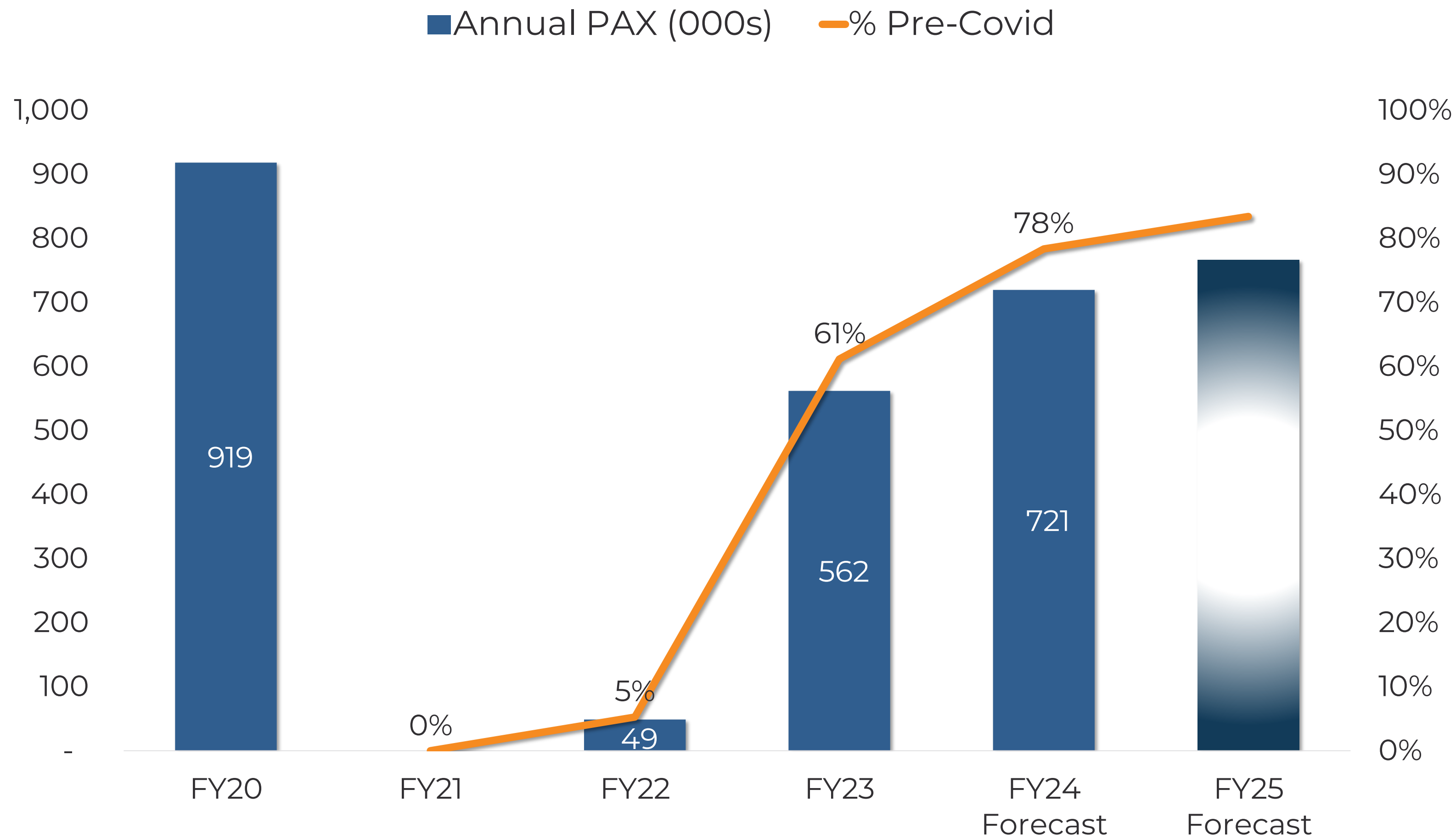


- ~700k PAX
- 77% capacity recovery
- ~15% share



# Update on Passenger Numbers

## International



- 120% capacity recovery
- ~49% share



**AIR NEW ZEALAND**

- 100% capacity recovery
- ~38% share



- 118% capacity recovery
- ~8% share



- 187% capacity recovery
- ~5% share



# Overview of Commercial Business

Diversified revenue streams contributing ~45% revenue



## Property

- Diversified rent roll - 150 tenancies ranging from campus leases and residential, logistics hub, beachfront restaurants and large format retail park.
- Ongoing expansion with acquisition of landholdings around airport, construction of new aircraft maintenance facility, regional transport hub and electric bus depot.

## Hotel

- 134 room 4-star hotel, restaurant and conference centre fully integrated with the airport terminal.

## Carparking & Transport

- A range of transport products offered from e-bike racks to valet parking.
- 3,500 public spaces available with at grade expansion availability.
- Concessions from taxis, rideshare, buses and rental cars.

## Retail & Advertising

- 30 retailers/concessionaires throughout the terminal.
- Duty Free, foreign exchange, advertising, food/beverage and specialty stores.





# Regulatory environment

IM Decision a significant progression from the draft



## 7 yearly review of NZ Commerce Commission Input Methodologies recently concluded

Draft decision contained several departures from the established methodology used to estimate Asset Beta and WACC.

The two primary changes in approach were:

- A shrinking of the airport comparator sample.
- Asset beta reduction to ‘correct’ for the covid shock.

Taking account of extensive submissions from New Zealand’s Airports, the Commission’s final decision produced an asset beta uplift to 0.67.

The NZ Airports Association, along with AKL, WLG and CHC have filed a merits review in the High Court.



	2016 IMs	Draft 2023 IMs	Final 2023 IMs
Asset beta	0.60	0.55	0.67
WACC post tax	8.07%	7.81%	8.61%



## Thorough consultation process

- High levels of airline engagement
- Board of Airline Representatives invited into process

## PSE4 incorporated a passenger wash-up & deferral

- Aero revenue shortfall circa \$35m
- \$15.1m carry forward

## WACC uplift – 5.93% PSE4, >8% PSE5

## Opex under control

- Lowest cost per passenger in NZ
- Controllable costs per pax held flat in real terms since FY20

## Substantial focus on capital investment

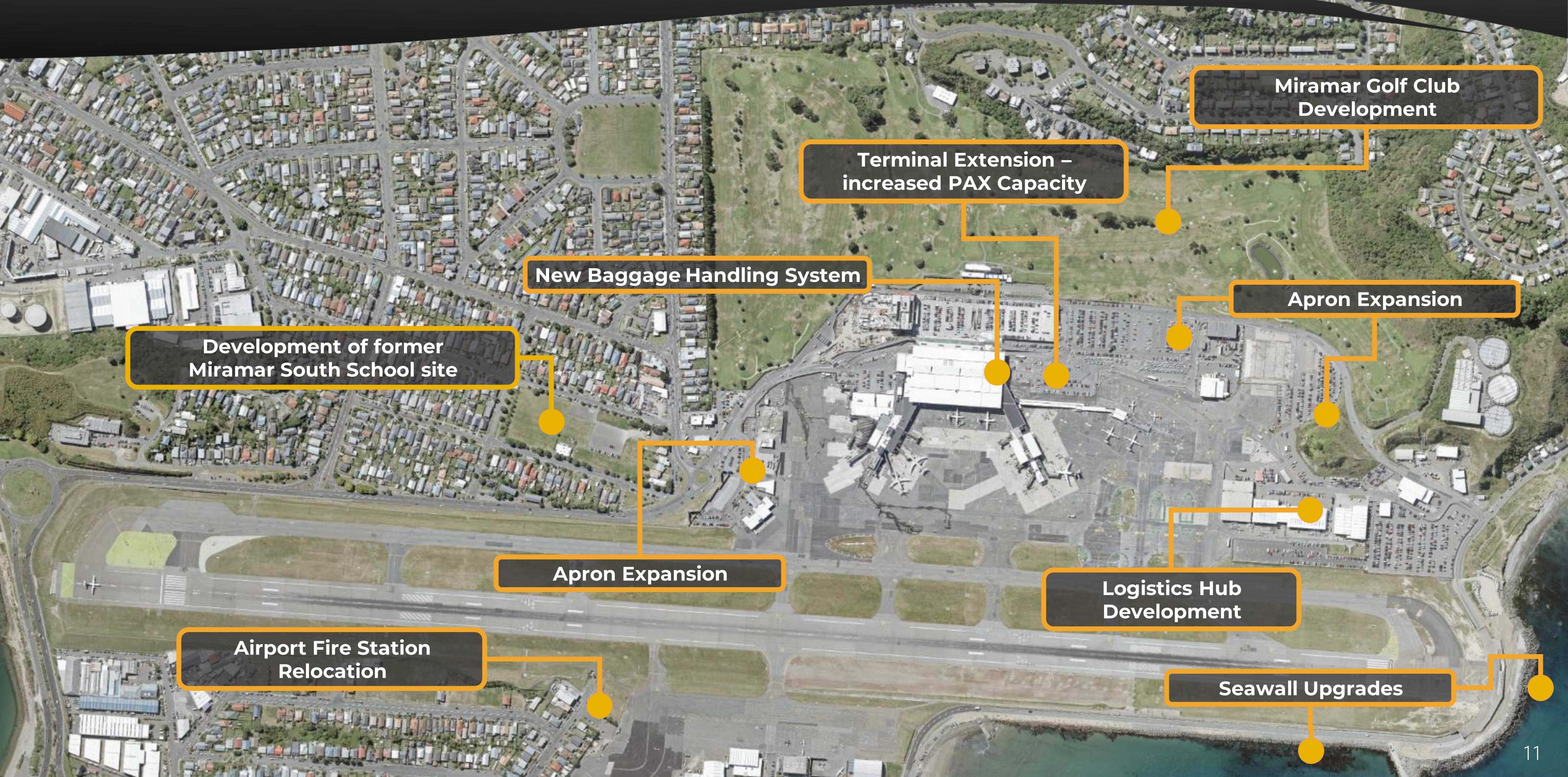
- Re-prioritisation of focus to align with requirements
- Master Plan review incorporating acquisitions and development rights





# PSE5 Capex

Collaborative airline engagement, campuswide development



**Miramar Golf Club Development**

**Terminal Extension – increased PAX Capacity**

**New Baggage Handling System**

**Development of former Miramar South School site**

**Apron Expansion**

**Apron Expansion**

**Logistics Hub Development**

**Airport Fire Station Relocation**

**Seawall Upgrades**



# Moving mountains

Pathway cleared to 12M apron/terminal configuration

WELLINGTON  
AIRPORT





# Seawall works

Structural upgrades to increase resilience





# Runway extension?

The goalposts have shifted

WELLINGTON  
AIRPORT



## Project Sunrise Research Flights





# No such thing as a free runway?

Technology has brought WLG closer to the world

WELLINGTON  
AIRPORT



## Up to 1.2t weight reduction

- \* Systems & structures optimization
- \* Increased used of advanced materials



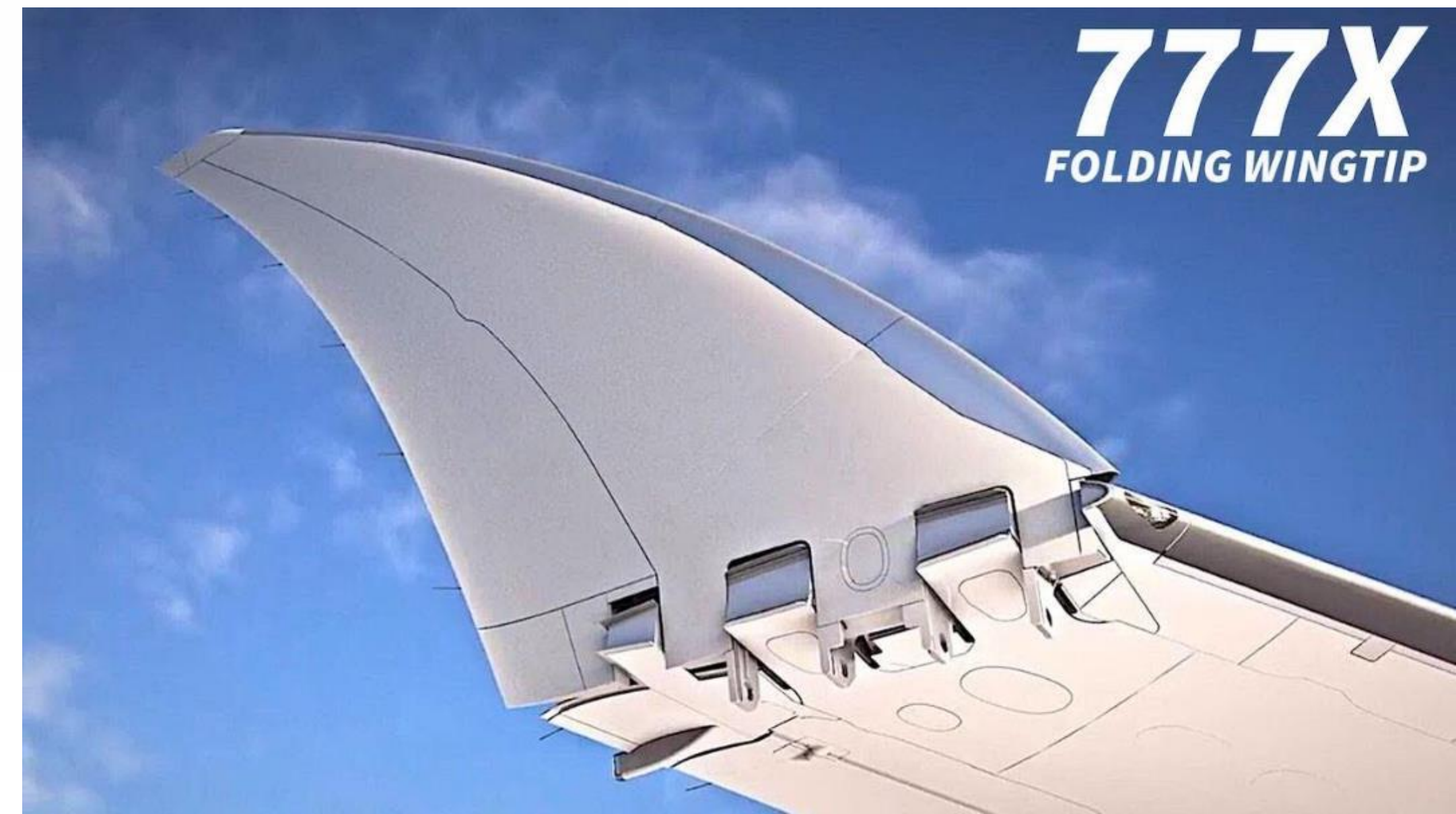
## Enhanced performance

- \* No physical changes to aircraft
- \* More payload at challenging airports



## 3t MTOW increase

- \* Additional range or payload
- \* The true #LongRangeLeader



**777X**  
FOLDING WINGTIP



# Sustainability update

Targeting net zero airport operational emissions (scope 1, 2 and staff travel) by 2030



## Airport Operational Emissions – Scope 1 & 2

Targeting net zero scope 1, 2 and staff travel emissions by 2030 and longer term ambition to be absolute zero by 2050. Seeking independent, science-based verification. Improving energy efficiency of assets and electrification of ground fleet.



## Scope 3 Emissions

Partnering with industry and airline partners to advance implementation of sustainable fuels/electric aircraft in Wellington. Member of Industry Advisory Board for Heart Aerospace.



## Airport Carbon Accreditation

Achieved Level 2 (Reduction) renewal under the Airport Carbon Accreditation programme and aiming to progress up the levels over coming years.



## Global Benchmarking

Alongside other airports/infrastructure assets under the GRESB framework. 2023 score of 96/100, 5<sup>th</sup> out of airports globally, and 85<sup>th</sup> of total 681 entities.



## Linking to Financing Strategy

\$100m of bank facilities transitioned to sustainability linked loans. Interest rates linked to performance against a suite of ambitious targets.



## NZ Climate Related Disclosures

New disclosures mandated from 2024, WIAL voluntarily made early disclosure in 2023.





# FY25 Drivers

Platform set for growth



Passenger Recovery



WACC Uplift



PSE4 Washup



PSE4 Revenue Deferral



PSE5 Capex Delivery





