

Auckland Airport

Update for debt investors

Stewart Reynolds
Chief Financial Officer (Acting)

Campbell De Morgan
Treasury Manager



Important Notice

Debt investor update

Disclaimer

This presentation is for preliminary information purposes only, does not constitute a recommendation by Auckland International Airport Limited (Auckland Airport), Bank of New Zealand (Joint Lead Manager), Craigs Investment Partners Limited (Joint Lead Manager) or The New Zealand Guardian Trust Company Limited, nor any of their respective directors, employees or agents to subscribe for, or purchase, any securities and no part of this presentation shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The information in this presentation is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed. No money is currently being sought and no bonds can be applied for or acquired until the offer opens and the investor has received a copy of the offer documents in relation to the bonds. If Auckland Airport offers the bonds, the offer will be made in accordance with the Financial Markets Conduct Act 2013 (FMCA) as an offer of debt securities of the same class as existing quoted debt securities.

All of the data provided in this presentation is derived from publicly available information in relation to Auckland Airport (including the interim results presentation of Auckland Airport for its half year ended 31 December 2023 and the annual report of Auckland Airport for its financial year ended 30 June 2023, unless otherwise indicated). Any internet site addresses provided in this presentation are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this presentation.

This presentation may contain forward looking statements with respect to the financial condition, results of operations and business, and business strategy, of Auckland Airport. Auckland Airport gives no assurance that the assumptions upon which Auckland Airport based its forward-looking statements on will be correct, or that its business and operations will not be affected in any substantial manner by other factors not currently foreseeable by Auckland Airport or beyond its control. Accordingly, Auckland Airport can make no assurance that the forward-looking statements will be realised.

All currency amounts are in New Zealand dollars unless otherwise stated and figures, including percentage movements, are subject to rounding.

Neither of the Joint Lead Managers nor any of their directors, officers, employees and agents:

1. accept any responsibility or liability whatsoever for any loss arising from this presentation or its contents or otherwise;
2. authorised or caused the issue of, or made any statement in, any part of this presentation; and
3. make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this presentation and accept no liability (except to the extent such liability is found by a court to arise under the FMCA or cannot be disclaimed as a matter of law).

Auckland Airport and its directors, officers, employees and agents expressly disclaim any and all liability relating to or resulting from inaccurate or incomplete information or the use of or reliance on all or any part of the information contained within this presentation, except to the extent such liability is found by a court to arise under the FMCA or cannot be disclaimed as a matter of law.

This presentation is dated 29 April 2024.

Company overview



Auckland Airport, a gateway to New Zealand...

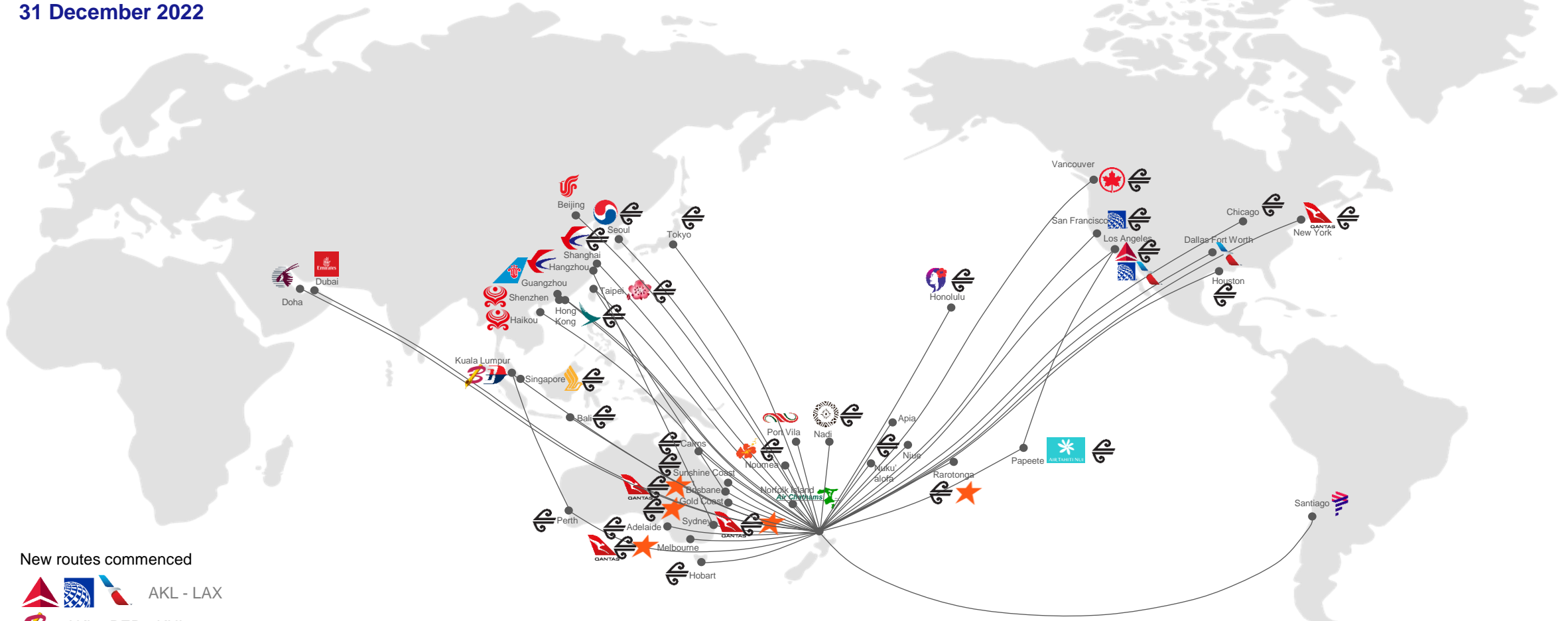
Auckland Airport is the largest and busiest airport in New Zealand with an extensive domestic aeronautical network, connecting Kiwis from Kaitiaki to Invercargill







- New Zealand's largest commercial airport serving the country's largest city
- Auckland Airport has an extensive domestic network serving 23 destinations
- Significant market share with 2/3rds of all domestic sectors either originating or ending in Auckland¹
- Processed 9.6 million domestic passengers in the year to 30 June 2019 and 8.1 million in the year to 30 June 2023
- Hub to Air New Zealand, the country's main domestic carrier
- Located on 1,500 hectares of freehold land 26km from Auckland's central business district
- No flight curfew, capable of operating 24 hours a day, 7 days a week from a single 3,535m runway
- Provision for a second runway in the future will cater for Auckland's aviation requirements for the foreseeable future

and New Zealand to the world

With the continued growth in the international network, during the six months ended 31 December 2023, 27 airlines connected Auckland Airport with 42 destinations across the Middle East, Asia, the Americas and the Pacific Islands compared with 23 airlines and 35 destinations in the six months ended 31 December 2022



New routes commenced

-  AKL - LAX
-  AKL - PER - KUL
-  AKL - SYD - HGH
-  AKL - HAK

Diverse Business



Aeronautical



Retail



Transport

Diverse Business



Commercial Property



Hotels



Investment in
Queenstown Airport

Passenger numbers recovering

Aircraft and passenger movements increased significantly, with a 22% rise to 9.3 million passengers, led by a 43% increase in international travel to nearly 5 million. North America and China saw major capacity boosts, though New Zealanders dominated the rise in international arrivals. Domestic travel grew 4% to 4.3 million, plateauing at 90% due to capacity constraints.

Monthly passenger numbers



1H24 financial results at a glance

Total revenue

\$440.5m

▲ 53%

Aeronautical revenue

\$194.8m

▲ 92%

Retail revenue

\$90.3m

▲ 52%

Parking revenue

\$33.8m

▲ 23%

Commercial property revenue

\$72.5m

▲ 11%

\$3.0bn portfolio valuation

EBITDAFI ¹

\$310.2m

▲ 64%

EBITDAFI margin of 70.4%

Reported profit after tax

\$118.7m

▲ 2,373%

1H24 earnings per share of 8.05 cps

Underlying profit after tax ¹

\$145.7m

▲ 115%

Underlying profit per share of 9.89 cps

Interim dividend

6.75cps

Capital investment

\$602.8m

▲ 130%

1. Auckland Airport recognises that EBITDAFI and underlying profit or loss are non-GAAP measures. A reconciliation between reported profit after tax and underlying profit after tax is included in the appendix.

Credit highlights

Company Overview

Building a Better Future

Financial Information

Appendices

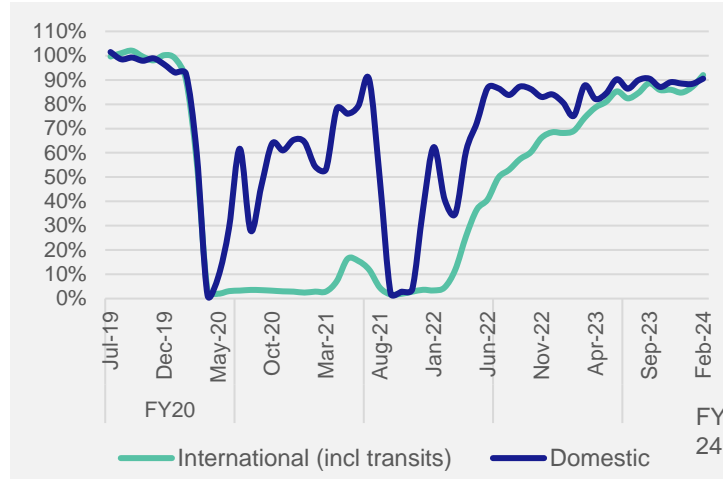
Gateway to New Zealand



Significant freehold asset base

\$11.3bn
Book value of assets at 31 December 2023

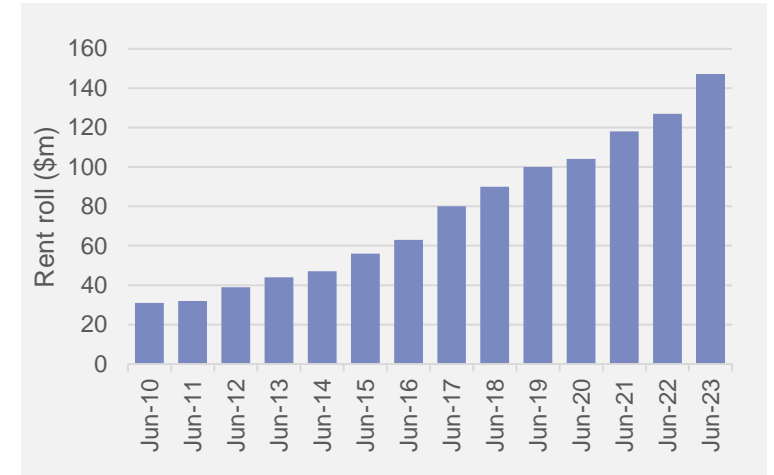
Benefiting from the recovery in travel



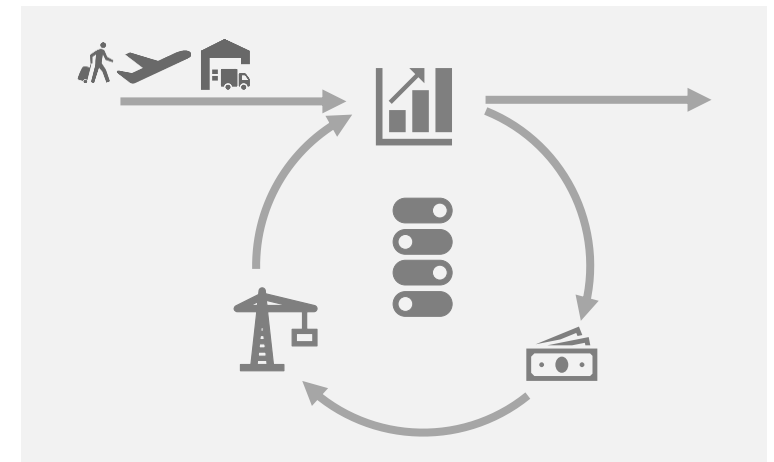
Investment grade credit rating

A- stable
S&P Global Ratings

Significant commercial property portfolio



Proactive capital management



Building a better future



Building a Better Future



Thriving enterprise

A thriving commercial community lies at the core of the long-term success and sustainability of our precinct. It will encompass a wide range of industries: from aviation and tourism; to retail and hospitality; to accommodation and entertainment; to high value exports and trade – a place that New Zealanders are proud of, as they connect with each other and the world via a thriving aviation network. Together, we will create a vibrant and dynamic environment that drives prosperity for our economy



Empowered community

We value our strong links with the community and will continue to actively contribute to the wellbeing and growth of local people. We will leverage the resources of the aviation precinct to empower and create opportunities for people, including our own incredible team. We foster collaboration and support to pave the way for positive progress and shared prosperity



Seamless connectivity

We seek to be a connected aviation precinct that enhances travellers' wellbeing, streamlines the travel experience and optimises maintenance and services. With real-time responsiveness, we will promptly address events and traveller management. Customers will enjoy a seamless travel experience and enhanced services through our integrated technology and data-driven approach. We're embracing the future of aviation connectivity



Enduring infrastructure

As custodians, we think long-term. Enhancing ground transportation options, embracing digital, and investing in the future of the end-to-end travel experience. Our initiatives will cater to the growing and evolving needs of customers, partners, tenants and visitors ensuring our place remains at the forefront. Together, we'll achieve increased efficiencies and a seamless travel experience – now and for the future

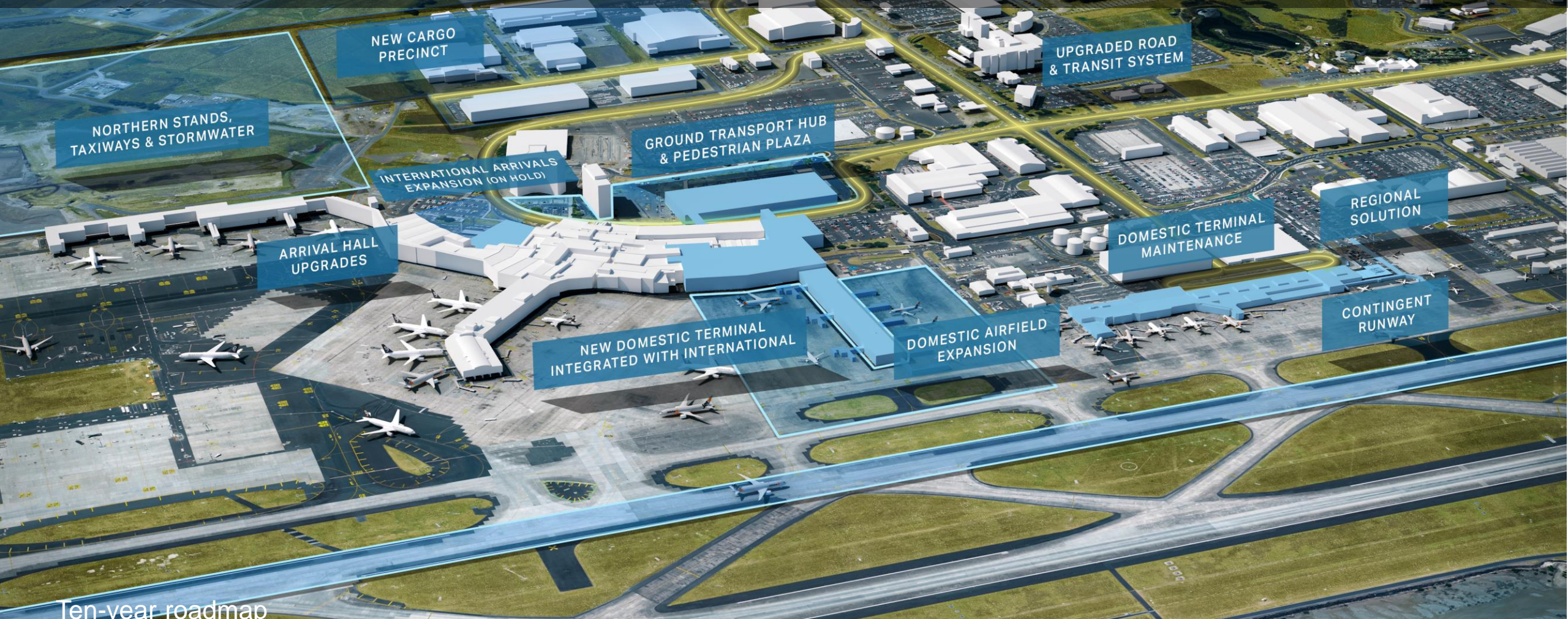


Future resilience

We're not just a business – but a multigenerational endeavour. Applying a long-term perspective in everything we do. Working closely with tangata whenua, prioritising our people, aviation community, our country's economy and the protection of our natural environment. With our partners, we are driving modal shifts across transport and applying new technologies towards decarbonisation. Together, we're building a sustainable legacy that benefits future generations

Transforming the aviation system at Auckland

Airline consultation on the 10-year capital programme concluded in the year with circa \$6.7 billion of investment planned for Auckland Airport over PSE4 and PSE5 that will transform the aviation system



Ten-year roadmap

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

Progress continues towards terminal integration...

Following conclusion of consultation, enabling works continue on the new domestic terminal



Airfield expansion providing important capacity for growth



First stage of the Transport Hub opened April 2024



High quality retail proposition



Mānawa Bay retail outlet centre due to open September 2024



MĀNAWA BAY
PREMIUM OUTLETS



Outlet shopping.
But not as you know it.

MĀNAWA BAY
PREMIUM OUTLET

Opening September

Outlet shopping.
But not as you know it.

MĀNAWA BAY
PREMIUM OUTLET

Opening September

Outlet shopping.
But not as you know it.

MĀNAWA BAY
PREMIUM OUTLET

Opening September

There's nothing quite like it. Yet.

24,000m²+ Leasable Retail Area

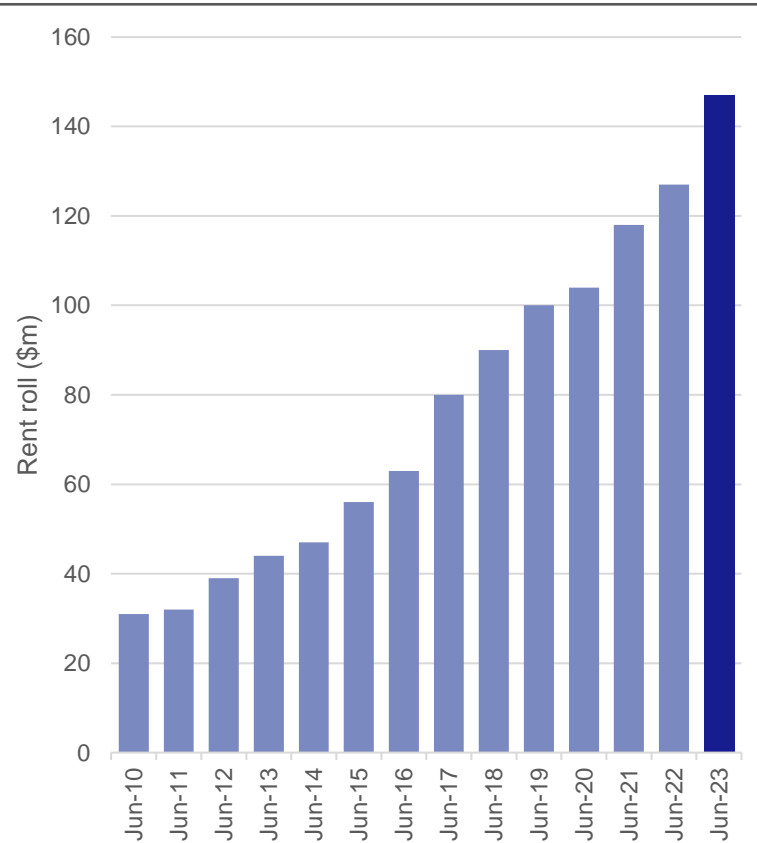
100+ Retail Stores, 14 F&B

Commercial property remains well positioned

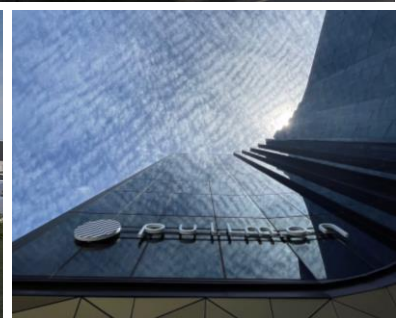
Auckland Airport’s commercial property portfolio has grown rapidly in recent years, leveraging an exceptional track record of design and delivery, and the precinct’s high quality, high covenant tenancy characteristics. These characteristics continue to resonate with existing and prospective tenants resulting in a strong forward order book.

Company Overview
 Building a Better Future
 Financial Information
 Appendices

Commercial property rent roll



\$2.9 billion	Portfolio value
535,058m²	Net lettable area
\$147 million	Rent roll
99.5%	Portfolio occupancy
8.6 years	Weighted average lease term
151 ha	of land available for property development
75%	Annual hotel occupancy
\$216.35	Average hotel daily room rate



Sustainability is central to who we are

Ambitious 2030 targets

Purpose

Kaupapa

85%

Customers rate their overall experience as 'excellent' or 'very good' by 2030

100%

Of procurement activity is aligned with sustainable procurement guidelines ISO20400 by 2030

TSR

Rolling 3 year total shareholder return exceeds cost of equity by 1%

Place

Kaitiakitanga

Net Zero

90% reduction in scope 1 and 2 carbon emissions by 2030 from a 2019 baseline

20%

Reduction in potable water use by 2030 from 2019 levels

20%

Reduction in waste to landfill by 2030 from 2019 levels

People

Whānau

40 | 40 | 20

Gender balance across Auckland Airport's Board, Leadership Team and its direct report populations by 2025

20%

Of people leaders of Māori / Pasifika ethnicity by 2025

Ethnicity

Workforce reflective of the ethnicity of New Zealand by 2030

Community

Hapori

40%

Of employees participating in community volunteer programme by 2030

Apprenticeship

Create a pathway for women, Māori and Pasifika into trades with

30%

of total trade staff sourced from a targeted apprenticeship scheme by 2030

We are 'building a better future'

Supported the recovery in travel through increased connectivity



New international services

Reopened our commercial businesses to cater for increased passenger demand



Reopening of Bistro Box in the international terminal

Focused on improving operating efficiency and effectiveness to enhance the passenger experience



Trialling dedicated lanes to deliver improved efficiency

Continued our disciplined approach to investment in infrastructure



Enabling works for the integrated terminal

Financial information



Return to underlying profit

For the year ended 30 June \$m	2024 H1	2023	2022	Restated 2021 ³	2020	2019
Revenue	440.5	625.9	300.3	281.1	567.0	743.4
Expenses ¹	130.3	228.8	155.8	110.0	306.6	188.6
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	310.2	397.1	144.5	171.1	260.4	554.8
<i>EBITDAFI Margin</i>	<i>70%</i>	<i>63%</i>	<i>48%</i>	<i>61%</i>	<i>46%</i>	<i>75%</i>
Share of profit / (loss) from associates	4.7	11.1	(12.8)	21.1	8.4	8.2
Impairment on investment in JV	-	-	-	-	(7.7)	-
Derivative fair value movement	(0.3)	(0.7)	1.7	(0.5)	(1.9)	(0.6)
Property, plant and equipment revaluation	-	(15.6)	(1.4)	(7.5)	(45.9)	(3.8)
Investment property revaluation	(27.1)	(139.7)	204.4	527.3	168.6	254.0
Depreciation expense	84.3	145.3	113.1	120.9	112.7	102.2
Interest expense	33.1	62.7	53.7	94.0	71.8	78.5
Taxation expense	51.4	1.0	(22.0)	30.0	3.5	108.4
Reported profit after tax	118.7	43.2	191.6	466.6	193.9	523.5
Underlying profit / (loss) after tax²	145.7	148.1	(11.6)	(39.4)	188.5	274.7

1. 2020 includes capital expenditure write-offs, impairments and contractor termination costs of \$117.5 million, redundancy costs of \$5.9 million and credit losses of \$7.3 million in 2020. 2021 includes a net reversal of \$16.9 million of fixed asset impairment and termination costs and a \$4.2 million reversal of expected credit losses

2. A reconciliation between profit after tax and underlying profit after tax for 1H24 is included in the Appendix. Reconciliations for years ended 2019 – 2023 are available in the Annual Results report

3. The 2021 comparatives are restated following the IFRIC decision on cloud computing. Refer to note 2 of the Financial Statements to the Annual Results for the year ended 30 June 2022

Higher PAX numbers driving improved performance

For the year ended 30 June \$m	2024 H1	2023	2022	2021	2020	2019
Airfield income	75.3	86.6	60.9	64.0	100.6	127.6
Passenger services charge	119.5	132.9	33.8	24.2	133.0	185.1
Retail income	90.3	130.9	22.7	17.8	141.5	225.8
Car park income	33.8	57.7	26.2	28.7	50.3	64.2
Rental income	87.3	170.6	129.7	115.2	109.2	107.8
Other income	34.3	47.2	27.0	31.2	32.4	32.9
Total revenue	440.5	625.9	300.3	281.1	567.0	743.4

Balance sheet remains strong

\$m	Dec 2023	Jun 2023	Jun 2022	Restated Jun 2021 ¹	Jun 2020	Jun 2019
Cash	57.9	106.2	24.7	79.5	765.3	37.3
Trade and other receivables	97.3	51.6	28.5	25.4	34.7	69.0
Other current assets	1.3	3.0	21.6	20.9	37.0	-
Current assets	156.5	160.8	74.8	125.8	837.0	106.3
Property, plant and equipment	7,949.5	7,548.3	6,986.1	6,826.5	6,060.8	6,577.1
Investment properties	2,988.1	2,882.1	2,897.4	2,641.4	2,054.2	1,745.4
Investment in associates	191.1	193.1	166.5	154.4	114.7	105.7
Derivative financial instruments	58.3	45.0	28.1	29.2	230.4	162.6
Total assets	11,343.5	10,829.3	10,152.9	9,777.3	9,297.2	8,697.1
Borrowings	2,231.4	1,817.1	1,476.6	1,392.8	2,145.2	2,190.5
Other liabilities	669.2	634.7	525.4	455.0	514.9	473.7
Total liabilities	2,900.6	2,451.8	2,002.0	1,847.8	2,660.1	2,664.2
Equity	8,442.9	8,377.5	8,150.9	7,929.5	6,637.1	6,032.9
Total liabilities and equity	11,343.5	10,829.3	10,152.9	9,777.3	9,297.2	8,697.1

1. The 2021 comparatives are restated following the IFRIC decision on cloud computing. Refer to note 2 of the Financial Statements to the Annual Results for the year ended 30 June 2022

Strong liquidity position and robust credit metrics

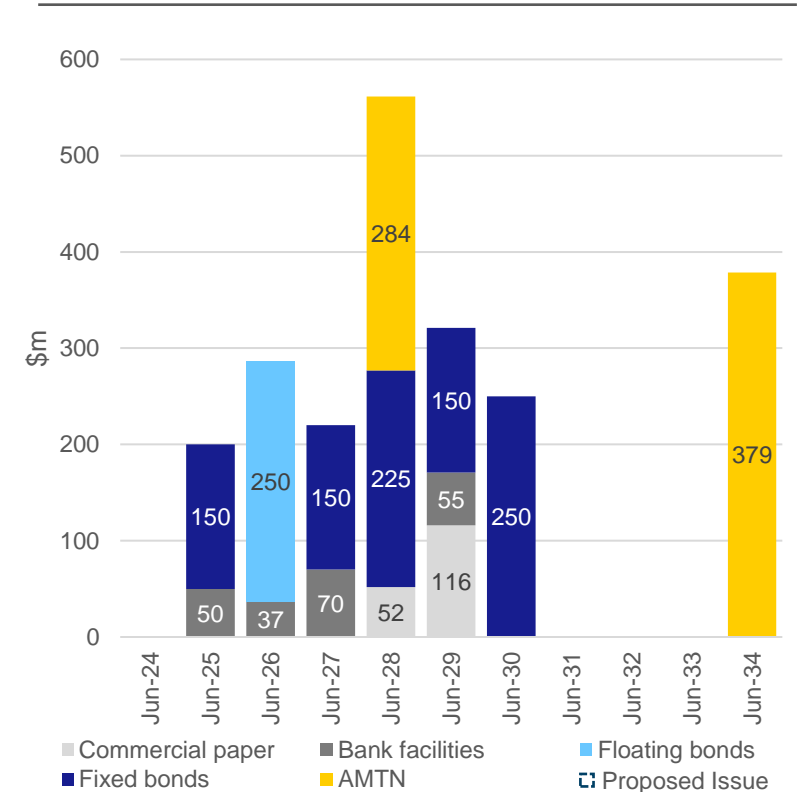
Strong financial metrics with strong covenant headroom and liquidity to support the planned capex

- Total drawn debt of \$2,231 million at 31 December 2023, an increase of 23% or \$414 million on June 2023
- Committed undrawn bank facility headroom of circa \$993 million (Jun-23: \$963 million), and \$58 million in available cash (Jun-23: \$106 million)
- Raised \$629 million of new borrowings through two bond issues in the period comprising:
 - \$250 million NZ 6-year fixed rate bond; and
 - AU\$350 million AMTN
- Further issuance planned for 2H24 to support the investment programme
- A- credit rating maintained

Key credit metrics

	Test	Dec-23	Jun-23
Gearing covenant ¹	≤ 60%	21.1%	18.2%
Interest coverage covenant ²	≥ 2.0x	8.22x	6.57x
Debt to enterprise value		14.7%	12.7%
Net debt to enterprise value		14.4%	12.0%
FFO interest cover ³	≥ 2.5x	5.1x	5.0x
FFO to net debt ³	≥ 11.0%	18.1%	18.5%
Weighted average interest cost		5.66%	5.03%
Average debt maturity profile (yrs)		4.70	2.65
Percentage of fixed borrowings		70.6%	63.2%

Drawn debt maturity profile by financial year



Regulatory update

1H24 was the first financial period in which the new aeronautical charges for PSE4 applied, and the Commerce Commission completed its Input Methodologies review

Review of price setting event 4

- On 30 November 2023, the Commerce Commission published a process and issues paper highlighting the scope, process and timing of the review of Auckland Airport's pricing for PSE4
- Auckland Airport has submitted on the process and issues paper. A draft report is expected late May with the final report from the Commission due September 2024

Input Methodologies review

- The Commerce Commission released its final IM determination on 13 December 2023
- Having carefully examined the final decision, Auckland Airport - along with NZ Airports, Wellington and Christchurch Airports - filed a notice of appeal for a merits review of the final IM determination
- Auckland Airport believe the final IM decision undermines the purpose of the IMs to provide a stable regulatory environment which operates for the benefit of New Zealand consumers, and offers certainty to organisations that invest in long-life infrastructure assets

Timetable for review of aeronautical pricing for PSE4

Process and issues paper	30 Nov 2023
Submissions due	31 Jan 2024
Cross submissions due	14 Feb 2024
Update on process and scope, if required	Mar 2024
Draft review report published	Late May 2024
Submissions on draft review report due	Late June 2024
Cross submissions due	Mid July 2024
Final PSE4 review report published	Sept 2024

Source: Commerce Commission

Outlook

Guidance

- As we look to the remainder of FY24, we continue to see growth in capacity deployed by international airlines and strong demand for our commercial products and services
- However, uncertainty remains around the pace of growth given the effect of economic headwinds on domestic demand and externalities impacting capacity to Auckland
- Reflecting this, Auckland Airport provides the following guidance for FY24:
 - reconfirms underlying earnings guidance of between \$260 million and \$280 million reflecting anticipated domestic and international passenger numbers of circa 8.6 million and circa 10.3 million respectively; and
 - lifting capital expenditure guidance to between \$1,100 million and \$1,400 million in the year reflecting the significant investment across the airport precinct
- This guidance is subject to any material adverse events, significant one-off expenses and any deterioration due to global market conditions or other unforeseeable circumstances



Return of Singapore Airline's A380 in November 2023

Thank you



Appendices



Appendix: Board of directors



Dr Patrick Strange
Chair



Tania Simpson
Director



Dean Hamilton
Director



Christine Spring
Director



Julia Hoare
Director



Mark Binns
Director



Liz Savage
Director



Mark Cairns
Director

Appendix: Management team



Carrie Hurihanganui
Chief Executive



Melanie Dooney
Chief Corporate Services Officer



Darren Evans
Chief Safety and Risk Officer



Stewart Reynolds
Chief Financial Officer
(acting)



Susana Fueyo Suarez
Chief Infrastructure Officer



Chloe Surridge
Chief Operations Officer



Scott Tasker
Chief Customer Officer



Mark Thomson
Chief Commercial Officer



Mary-Liz Tuck
Chief Sustainability & Master
Planning Officer



Richard Wilkinson
Chief Digital Officer

Appendix: Underlying profit reconciliation

For the year ended 30 June (\$m)	2024 H1			2023		
	Reported profit	Adjustments	Underlying profit	Reported profit	Adjustments	Underlying profit
EBITDAFI per Income Statement	310.2	-	310.2	397.1	-	397.1
Investment property fair value change	(27.1)	27.1	-	(139.7)	139.7	-
Property, plant and equipment fair value change	-	-	-	(15.6)	15.6	-
Fixed asset write-offs, impairments and termination costs ¹	-	-	-	-	2.8	2.8
Derivative fair value change	(0.3)	0.3	-	(0.7)	0.7	-
Share of profit / (loss) of associate and joint ventures	4.7	(0.3)	4.4	11.1	(3.6)	7.5
Depreciation	(84.3)	-	(84.3)	(145.3)	-	(145.3)
Interest expense and other finance costs	(33.1)	-	(33.1)	(62.7)	-	(62.7)
Taxation expense / (benefit)	(51.4)	(0.1)	(51.5)	(1.0)	(50.3)	(51.3)
Profit after tax	118.7	27.0	145.7	43.2	104.9	148.1

We have made the following adjustments to show underlying profit after tax for the six months ended 31 December 2023 and the year ended 30 June 2023:

- we have reversed out the impact of revaluations of investment property in FY23 and FY22. 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, runways, taxi ways, aprons and infrastructure and building classes of assets within property, plant and equipment in FY23;
- we have reversed out the impact of capital expenditure write-offs, impairments and termination cost expenses and reversals. 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 holds 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 24H1 and FY23 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 24H1 and FY23.

Appendix: Associates' performance



For the six months ended 31 December (\$m)	2023	2022	Change
Queenstown Airport (24.99% ownership)			
Total revenue	33.0	30.0	10%
EBITDA ¹	24.1	22.5	7%
Underlying earnings (Auckland Airport's share) ¹	3.1	2.9	7%
Domestic passengers	799,301	845,216	(5)%
International passengers	464,838	378,795	23%
Aircraft movements	9,392	8,877	6%



Novotel Auckland Airport (50.00% ownership)			
Total revenue	16.9	8.8	92%
EBITDA ¹	3.4	0.1	3,300%
Underlying earnings (Auckland Airport's share) ¹	1.7	-	-
Average occupancy	90.5%	54.1%	67%



Te Arikini Pullman Auckland Airport (50.00% ownership)²			
Total Revenue	0.4	-	-
EBITDA ¹	(0.9)	-	-
Underlying Earnings (Auckland Airport's share) ¹	(0.4)	-	-

1. Auckland Airport recognises that EBITDAFI and underlying profit or loss are non-GAAP measures
2. The Pullman hotel opened on 13 December 2023 at reduced capacity

Glossary

Debt investor update

Auckland Airport	Auckland International Airport Limited
Bn	Billion
COVID	COVID-19
Cps	Cents per share
EBITDA	Earnings before interest, taxation and depreciation
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
FFO	Funds from operations
FY	Financial year
Ha	Hectares
JV	Joint venture
KM	Kilometers
NPAT	Net profit after tax
PAX	Passenger
PSE4	Price setting event 4 covering the period 1 July 2022 to 30 June 2027
PSE5	Price setting event 5 covering the period 1 July 2027 to 30 June 2032
TSR	Total shareholder return

Indicative terms sheet for fixed rate bonds due 15 November 2030

This Terms Sheet is prepared in respect of an offer by Auckland International Airport Limited (**Auckland Airport**) of up to NZ\$200,000,000 (with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport's discretion) of fixed rate bonds (**Bonds**) under its master trust deed dated 9 July 2004 (as amended and restated from time to time), as modified and supplemented by the supplemental trust deed dated 3 May 2024 entered into between Auckland International Airport Limited and The New Zealand Guardian Trust Company Limited (**Supervisor**) (together, **Trust Documents**).

Important Notice

The offer of Bonds is being made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). Except for the interest rate and maturity date, the Bonds will have identical rights, privileges, limitations and conditions as Auckland Airport's:

- (a) 3.51% NZ\$150,000,000 fixed rate bonds maturing on 10 October 2024 which are quoted on the NZX debt market under the ticker code AIA230;
- (b) 3.29% NZ\$150,000,000 fixed rate bonds maturing on 17 November 2026 which are quoted on the NZX debt market under the ticker code AIA240;
- (c) 5.67% NZ\$225,000,000 fixed rate bonds maturing on 9 May 2028 which are quoted on the NZX debt market under the ticker code AIA250;
- (d) 5.29% NZ\$150,000,000 fixed rate bonds maturing on 17 November 2028 which are quoted on the NZX debt market under the ticker code AIA260; and
- (e) 6.22% NZ\$250,000,000 fixed rate bonds maturing on 2 November 2029 which are quoted on the NZX debt market under the ticker code AIA270,

(together, **Quoted Bonds**) and therefore are of the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Auckland Airport is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting <https://www.nzx.com/companies/AIA>.

Investors should look to the market price of the Quoted Bonds to find out how the market assesses the returns and risk premium for those bonds.

Dated 6 May 2024

Issuer	Auckland International Airport Limited.	
Description of Bonds	Direct, unsecured, unsubordinated, fixed rate debt obligations of Auckland Airport ranking equally and without preference among themselves and equally with all other outstanding unsecured and unsubordinated indebtedness of Auckland Airport (except indebtedness preferred by law).	
Purpose	General corporate purposes.	
Joint Lead Managers	Bank of New Zealand and Craigs Investment Partners Limited.	
Credit Ratings	Expected Long-Term Issue Credit Rating	Long-Term Issuer Credit Rating
	A- S&P Global Ratings	A- S&P Global Ratings
	Further information about S&P Global Ratings credit rating scale is available at www.standardandpoors.com . A credit rating is not a recommendation to invest in the Bonds and may be subject to revision, suspension or withdrawal at any time.	
Issue Amount	Up to NZ\$200,000,000 with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport's discretion.	
Opening Date	Monday, 6 May 2024, immediately following release via NZX of the notice required by the FMC Regulations in connection with the offer.	
Closing Date	11:00am on Wednesday, 8 May 2024.	
Rate Set Date	Wednesday, 8 May 2024.	
Issue Date and allotment date	Wednesday, 15 May 2024.	
Maturity Date	Friday, 15 November 2030.	

Interest Rate	The aggregate of the Base Rate and the Margin on the Rate Set Date. The Interest Rate will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date. The Interest Rate will not change after the Rate Set Date.
Base Rate	The semi-annual mid-market swap rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Joint Lead Managers in accordance with market convention with reference to Bloomberg page ICNZ4 on the Rate Set Date and expressed on a semi-annual basis, rounded to 2 decimal places, if necessary with 0.005 being rounded up.
Indicative Margin and actual Margin	The indicative margin range is 1.00 per cent to 1.05 per cent per annum for the Bonds. The actual Margin for the Bonds, (which may be above or below the abovementioned indicative margin range), will be set by Auckland Airport (in consultation with the Joint Lead Managers) on the Rate Set Date following a bookbuild by the Joint Lead Managers. The actual Margin will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date.
Interest Payment Dates	15 May and 15 November in each year until and including the Maturity Date.
First Interest Payment Date	15 November 2024.
Frequency of interest payments	Semi-annually (half annual amount) in arrears on each Interest Payment Date. If an Interest Payment Date falls on a day that is not a Business Day, the relevant payment will be made on the next day which is a Business Day, without adjustment, interest or further payment as a result thereof.
Issue price / Principal Amount	NZ\$1.00 per Bond.
Minimum Principal Amount and minimum holding amount	The Minimum Principal Amount and minimum holding amount in respect of the Bonds is NZ\$10,000 and multiples of NZ\$1,000 thereafter.

Record Date	10 calendar days before an Interest Payment Date or, if not a Business Day, the immediately preceding Business Day.
Business Day	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland.
Quotation	The Bonds will be quoted under NZX Debt Market Ticker Code: AIA280.
Expected date of initial quotation and trading on the NZX Debt Market	It is expected that quotation on the NZX Debt Market will occur on 16 May 2024.
Registrar	Link Market Services Limited.
ISIN	NZAIAD0280L5.
Repo-eligibility	Auckland Airport intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for domestic market operations.
Early repayment	<p>In the case of an event of default as set out in the Trust Documents, which is continuing unremedied, the Supervisor may, and immediately upon being directed to do so by an extraordinary resolution (as defined under the Trust Documents) of holders of Bonds of this series must, declare the principal amount and accrued interest on the Bonds to be immediately due and payable.</p> <p>If the Bonds are declared due and payable prior to the Maturity Date, interest will be payable at the Interest Rate from the most recent Interest Payment Date to and including the date of repayment.</p>
Governing law	New Zealand.

Who may apply	<p>All of the Bonds are reserved for clients of the Joint Lead Managers, NZX participants, other approved financial intermediaries and institutional investors.</p> <p>There is no public pool for the offer. Investors wishing to purchase the Bonds should contact a Joint Lead Manager or their usual financial adviser. In respect of any oversubscriptions or generally, any allotment of Bonds will be at Auckland Airport's discretion, in consultation with the Joint Lead Managers. Auckland Airport reserves the right to refuse to make any allotment (or part thereof) without giving any reason.</p> <p>Each investor's broker or financial adviser will be able to advise them as to what arrangements will need to be put in place for the investor to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place.</p>
Singapore Securities and Futures Act Product Classification	Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the SFA), Auckland Airport has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).
Selling restrictions	The selling restrictions set out in the schedule to this Terms Sheet apply.

Important Information

The dates and times set out in this Terms Sheet are indicative only. The indicative margin, issue amount, dates and times are subject to change. Auckland Airport has the right in its absolute discretion and without notice to amend the indicative margin and issue amount, close the offer early, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Trust Documents will be made available by Auckland Airport for inspection during usual business hours by any bondholder at the office of Auckland Airport at the address below (or such office as Auckland Airport may notify the bondholders from time to time).

The Joint Lead Managers and their respective directors, officers, employees and agents: (a) have not authorised or caused the issue of, or made any statement in, any part of this Terms Sheet; (b) do not make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Terms Sheet; and (c) to the extent permitted by law, do not accept any responsibility or liability for this Terms Sheet or for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the offer of Bonds.

Investors are personally responsible for ensuring compliance with all relevant laws and regulations applicable to them (including any required registrations). Investors should seek qualified, independent legal, financial and taxation advice before deciding to invest.

For further information regarding Auckland Airport, visit <https://www.nzx.com/companies/AIA>.

Address details

Auckland International Airport Limited

First Floor
4 Leonard Isitt Drive
Auckland Airport
Manukau 2022

Bank of New Zealand

Level 6, Deloitte Centre
80 Queen Street
Auckland 1010
New Zealand

Craigs Investment Partners Limited

Level 32, Vero Centre
48 Shortland Street
Auckland 1010
New Zealand

Schedule – Selling restrictions

Part A - Initial Selling Restrictions

The Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the initial offer of Bonds by Auckland Airport under this Terms Sheet (**Initial Offer**), no Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions set out below in this Part A. This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions set out below in this Part A. For the avoidance of doubt, the selling restrictions set out below in this Part A apply only in respect of the Initial Offer.

No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By its subscription for or purchase of the Bonds, each bondholder agrees to indemnify the Issuer, the Joint Lead Managers and the Supervisor and each of their respective directors, officers and employees for any loss, cost, claim, fine, damages, liability or expense sustained or incurred by any of them by reason of any breach of the selling restrictions.

United States of America

The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

None of Auckland Airport, any Joint Lead Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in relation to the Bonds, and each of Auckland Airport and the Joint Lead Managers has complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

The Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Bonds of the Tranche of which such Bonds are part, as determined and certified by the Joint Lead Managers, except in accordance with Rule 903 of Regulation S. Any Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

"The Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any

state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Until 40 days after the completion of the distribution of all Bonds or the Tranche of which those Bonds are a part, an offer or sale of the Bonds within the United States by the Joint Lead Managers or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Member State except that an offer of Bonds to the public in the Member State may be made:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Joint Lead Managers nominated by Auckland Airport for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Bonds referred to in (a) and (c) above shall require Auckland Airport or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression **offer of Bonds to the public** in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

No Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in the United Kingdom except that it may make an offer of Bonds to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Bonds referred to in (a) to (c) above shall require the Issuer or the Joint Lead Managers to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **offer of Bonds to the public** in relation to any Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other UK Regulatory Restrictions

Each Joint Lead Manager has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to Auckland Airport.

All applicable provisions of the FSMA with respect to anything done in relation to the Bonds in, from or otherwise involving the United Kingdom must be complied with.

Japan

The Bonds have not been and will not be registered in Japan pursuant to Article (4), Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in "ha" of Article (2), Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Bonds shall not transfer or resell the Bonds except where the transferor transfers or resells all the Bonds en bloc to one transferee. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

This Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds has not been, and will not be, circulated or

distributed, nor have the Bonds been, nor will they be, offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

No Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document, other than (a) to **professional investors** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a **prospectus** as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to **professional investors** as defined in the SFO and any rules made under the SFO.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Bonds (including this Terms Sheet) has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Bonds (or an interest in them) for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Bonds (or an interest in them) in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or other person offering the Bonds or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;

- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC or any other regulatory authority in Australia.

By applying for the Bonds under this Terms Sheet, each person to whom the Bonds are issued (an **Investor**):

- (a) will be deemed by the Issuer and each of the Joint Lead Managers to have acknowledged that if any Investor on-sells the Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Joint Lead Managers to have undertaken not to sell those Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Bonds in Australia.

Part B - General Selling Restrictions

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction. No offering document or other offering material in respect of the Bonds may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction. No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By its subscription for or purchase of the Bonds, each Holder agrees to indemnify the Issuer, the Joint Lead Managers, and the Supervisor and each of their respective directors, officers and employees for any loss, cost, claim, fine, damages, liability or expense sustained or incurred by any of them by reason of any breach of the selling restrictions.



Market Release | 6 May 2024

Auckland Airport launches retail bond offer

Auckland International Airport Limited (“**Auckland Airport**”) confirmed today that it is offering up to NZ\$200,000,000 of six and a half year fixed rate bonds (with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport’s discretion) (the “**Bonds**”) to New Zealand retail investors and to institutional investors.

The offer opens today and will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The notice required by the Financial Markets Conduct Regulations 2014 has been provided to NZX and is attached. The Bonds are expected to be quoted on the NZX Debt Market.

Full details of the bond issue are contained in the terms sheet which has been prepared for the offer and is **attached**.

The offer will open with an indicative margin range of 1.00 per cent to 1.05 per cent per annum and the Bonds will mature on 15 November 2030. An announcement of the actual margin and the interest rate on the Bonds will be made following the conclusion of the bookbuild process, which is expected to be on 8 May 2024. The terms sheet will be updated to include the interest rate and will be released on the same day.

The Bonds are expected to be assigned a long term credit rating of A- by S&P Global Ratings.

There is no public pool for the offer, with 100 per cent of the Bonds reserved for clients of the Joint Lead Managers, NZX participants, other approved financial intermediaries and institutional investors. The offer will close on 8 May 2024 following the completion of the bookbuild process.

Interested investors should contact the Joint Lead Managers or their usual financial adviser for more details.

Ends

For assistance, please contact:

Campbell De Morgan
Treasury Specialist
+64 27 478 3243
campbell.demorgan@aucklandairport.co.nz

Bank of New Zealand (BNZ)
0800 284 017

Craigs Investment Partners Limited (Craigs)
0800 226 263