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2025 Annual Meeting: Chair and Chief Executive addresses

Chair Julia Hoare

Tēnā koutou, tēnā koutou, tēnā tatou katoa.

Good morning. I'm Julia Hoare, Chair at Auckland Airport, and it's my pleasure to welcome you to today's 2025 annual meeting.

With us today are my fellow directors: Christine Spring, Mark Binns, Tania Simpson, Dean Hamilton, Liz Savage, Mark Cairns and Grant Devonport. Mark Cairns and Liz Savage are standing for re-election as independent directors and will address the meeting prior to the vote.

We will also be hearing from our chief executive, Carrie Hurihanganui. Also here is Chief Financial Officer Stewart Reynolds and the other executives, and our auditors.

Let me start by providing you with a snapshot of our FY25 financial results.

I'm pleased to say Auckland Airport delivered a strong and resilient performance despite the well-known challenges with aircraft availability and the softer New Zealand economy.

By the end of June this year, airline seat capacity – that's the total number of seats flying to and from New Zealand – had recovered to 92% of pre-2019 levels.

Running through the key results now:

- Total passenger numbers increased to 18.7 million, up 1% on the previous year
- Auckland Airport's revenue was up 12% to $1,005 million
- Operating EBITDAFI was up 14% to $701 million year on year.
- Reported profit after tax including revaluations increased to $421 million. This includes a $127.5 million net revaluation gain, compared to the $15.3 million net revaluation loss in the same period last year.
- The net underlying profit was up 12% to $310 million.
- AKL paid a final dividend of 7 cents per share on 3 October.
- Total dividends for FY25 were $223 million, which equates to a payout of 72% of underlying net profit after tax.

When aviation connectivity grows, the economy does too – fuelling tourism, attracting investment and linking exporters to global markets.

While New Zealand continues to rebuild its aviation network, international passenger numbers remained steady in FY25.

However, signs of growth are emerging and recent announcements from airlines show renewed confidence in the aviation market.

The most notable new connection is China Eastern which is planning to connect Shanghai through Auckland to Buenos Aires. This will be the world's longest route including stopover when it launches in December this year, and introduces another direct flight from Auckland to South America. It also positions Auckland Airport as a strategic transit point for broader intercontinental connectivity between Asia and South America. Full credit to our airline marketing team, which has been working on this important connection for some years.

Domestic passenger movements were also steady in FY25 reflecting the constraints on capacity due to Air New Zealand's well-known fleet engine issues and the softer local economy.

However, we have been buoyed by the announcement that Jetstar will offer an additional 660,000 international and domestic seats to and from AKL

With high demand for domestic travel across the board and load factors that remain at near historic levels, this is welcome news for travellers and for competition in the local aviation market.

It also validates Auckland Airport's own capacity-building investments, with 75% of the announced growth to take place to and from AKL, and with Jetstar also basing an additional aircraft at Auckland Airport to support this growth.

A recent study by EY found Auckland Airport supports $35 billion of economic output each year for New Zealand.

Looking ahead, an estimated 38 million people are expected to travel through the airport annually by 2047. That's around double the number of travellers at the airport today, and it underpins Auckland Airport's confidence in our investment to upgrade and transform the airport. As we grow, we also need to meet the expectations of modern travellers, investing to ensure the airport remains fit for purpose and provides a comfortable experience.

The passenger story is well understood, but what's less known is that AKL is New Zealand's third-largest port by value.

We play a vital role in the supply chain, handling over $26 billion in trade each year. By 2047, we expect high value air cargo to have grown by more than 40%.

With this long-term growth forecast on the horizon, we need to plan decades ahead and ensure we build the right assets to support tomorrow's demand.

Resilient infrastructure is essential for us to succeed.

I'm proud to say we are well down the track on transforming Auckland Airport, making this one of the most defining chapters in our history. In FY25, our capital expenditure was $1,090 million, reflecting the scale of our building programme.

We are not an outlier in investing at this scale.

Major Australian airports are also making bold investments to be future-ready. Sydney, Perth, and Brisbane airports are developing new terminals to boost capacity, resilience and enhance the passenger experience.

Meanwhile, Melbourne Airport is working towards a third runway to unlock future aviation capacity.

These multi-billion-dollar investments across the Australasian airport sector reflect a shared recognition that resilient infrastructure is essential to stay competitive and grow economies.

FY25 saw the fully subscribed $1.2 billion capital raise from institutional investors and the $200 million share purchase plan for retail investors, and we thank you for your support and confidence.

Earlier this month we also completed two debt issues.

First, a $200 million retailable fixed-rate bond offer, immediately followed by a $100 million wholesale floating-rate note issue.

We're really pleased with the outcome of both issues, and we welcome the confidence investors have in our business, our balance sheet and the long-term outlook.

Our dividend reinvestment plan remains well supported with participation rates in excess of 40%.

We're excited to see the results of our capital investment taking shape as we complete developments.

Last month we opened the international airfield expansion, adding 250,000 square metres or the equivalent of 23 rugby fields of new apron and taxiway space. This created parking for up to 11 jets and lays the groundwork for the next phase of the terminal integration programme.

Another milestone for the team was completing the Transport Hub in November 24.

International travellers now enjoy a modern, fit-for-purpose facility when they pull up inside the new undercover pick-up and drop-off area.

Further to the east of the precinct, we are expanding the regional airfield – a project that will add four new aircraft stands and help enable growth in regional flights.

And after a year of building, we are now a third of the way to completing the new domestic jet terminal.

The progress is advancing quickly and is on track.

However, complex work lies ahead to complete the structural work for the pier, and also to carry out the fit-out and digital infrastructure.

In her presentation Carrie will add more depth to the many other workstreams in planning or underway across the airfield and terminals.

Efficient and stable regulation plays such a critical role in creating the conditions for ongoing private investment in long-life infrastructure.

In March ‘25, we welcomed the Commerce Commission’s final report into Price Setting Event 4 (PSE4), highlighting how Auckland Airport’s planned investment is delivering for consumers.

The report confirmed Auckland Airport’s investment is reasonable, fit for purpose and had followed appropriate consultation with airlines.

Auckland Airport discounted airline charges for the final two years of PSE4, bringing the targeted return for the period to 7.82% and within the range the Commerce Commission found to be reasonable.

Following the PSE4 final report, regulators have continued their scrutiny of the airport sector off the back of continued and active lobbying by airlines.

However, in July, the Ministry for Business Innovation and Employment (MBIE) concluded that legislative reform was not needed at this time, following a targeted consultation on the effectiveness of airport regulation.

This was quickly followed by the Commerce Commission carrying out a ‘sprint project’’ looking into airport regulation, after Air New Zealand wrote to the regulator asking it to consider an inquiry into airports.

We welcomed the Commission’s decision to rule out the need for an inquiry as a positive outcome for investors. We also welcomed the Commerce Minister re-confirming the Government’s position that legislative change is not being pursued.

Instead, as we expected and as was recommended by MBIE, the Commission intends to review the information disclosure requirements for major airport investment, and we look forward to working with them through the process with the regulator.

We note there are continued claims over the cost of airport charges to airlines.

It’s important to view these claims in context.

We are not the reason it is so expensive to fly in New Zealand.

In the 10 years leading up to June ‘23, AKL’s domestic per passenger jet charges rose just 65 cents in real terms, reflecting the ageing domestic terminal.

Even now, domestic jet charges per passenger remain among the lowest when compared to major New Zealand and Australian airports.

Between 2023 and 2027, domestic jet charges are going up an average of $1.26 per year per passenger and remain lower than Christchurch and Wellington.

There’s simply no incentive for Auckland Airport to raise charges in a way that would restrict passenger or airline growth.

As I mentioned earlier, this year Mark Cairns and Liz Savage are standing for re-election as independent directors in line with NZX listing rules. Their full biographies were contained in the Notice of Meeting.

Mark is standing for re-election after three years with the Board. He has deep experience in building and operating large infrastructure and complex supply chains, as well as significant exposure to capital markets. He serves on our Audit and Financial Risk Committee and Infrastructure Development Committee.

The Board unanimously recommends that shareholders vote in favour of the re-election of Mark Cairns.

Liz is standing for re-election after six years with the Board. Liz has extensive experience in the airline, travel and tourism sectors and brings a thorough understanding of the airline business to the Board. Her Board committee roles include the Aeronautical Pricing Committee, the People, Iwi and Remuneration Committee, and she is chair of the Safety, Sustainability & Operational Risk Committee.

The Board unanimously recommends that shareholders vote in favour of the re-election Liz Savage.

Today, I would also like to recognise Christine Spring, who stands down from the Board after 11 years.

Christine is a civil engineer with deep aviation infrastructure experience and has been a significant contributor to Auckland Airport over her tenure. Christine, we will miss you.

We are currently in a process to recruit a new director to replace Christine. We look forward to introducing our new Board member at next year's meeting, and we will seek your support for the appointment at that time.

I'd also like to take this opportunity to acknowledge Patrick Strange, our former chair, who handed me the baton after last year's meeting. Thank you, Patrick, for your contribution.

Turning now to the outlook. Management's assessments for FY26 prudently take into account the local economic conditions as well as ongoing constrained seat capacity.

As such, Auckland Airport remains cautious about the outlook for FY26 and our guidance remains unchanged.

Stepping back, Auckland Airport takes great pride in our role as New Zealand's gateway and I believe our achievements over the past year reflect this.

As we carry out much-needed upgrades to the airport, we remain focused on the passenger experience.

In the months ahead our team will begin upgrading the international check-in hall – a critical project to enable us to accommodate domestic jet services in 2029.

These works, located at the front door of the international terminal, are significant.

While we are doing everything we can to minimise disruption, we appreciate travellers' patience and understanding as we work towards delivering this next phase of the build.

Our success is only possible thanks to our airline partners, border agencies, tenants, and countless others who work to deliver a welcoming experience for customers.

In particular, and on behalf of the Board, I offer my special thanks to the Auckland Airport team for their incredible commitment and dedication as we build for the future.

And finally, I'd like to thank our retail and institutional investors for your continued support and confidence as we focus on transforming AKL, your airport, for the future.

I will now pass over to Carrie to provide more commentary on our progress over the past year.

Chief Executive Carrie Hurihanganui

Thank you Julia. Ngā mihi nui kia koutou katoa.

It's great to see all of you here today and I am pleased to reflect on a year in which we built resilience and laid down the foundations for future growth.

These themes – resilience and growth – are core to Auckland Airport's strategy and operations, to the value we deliver to you as shareholders, and also to how we support New Zealand's growth ambitions.

Resilience is our capacity to absorb challenges, recover quickly and carry on with the mission.

We've faced some significant tests in our recent history – from the pandemic to the Auckland region's flooding and congestion experienced by travellers in international arrivals after borders reopened.

In response, we've taken deliberate steps to strengthen our operations and infrastructure, and I'd like to take a moment to highlight a few of them.

As New Zealand's gateway – serving millions of travellers and acting as an important lifeline utility – we must be prepared for increasingly severe weather events.

One of the ways we've built resilience is through the newly expanded international airfield.

The resilience hero of this airfield system is a 4.4km extension of the stormwater network that connects to something called a Coupled Wetland Biofilter.

This is a first for New Zealand. It involves a new stormwater pond to filter runoff from more than 100 hectares across the airport precinct. The water flows through thousands of native plants to achieve higher quality for release into the Manukau Harbour.

The new airfield boosts resilience in other ways too.

It means we can continue to keep the country's gateway airport running efficiently and smoothly as we move into the next phase of building the new domestic jet terminal.

Financial resilience is also important for shareholders.

As Julia said, our FY25 result is a positive outcome for Auckland Airport in the context of capacity constraints, geopolitical challenges and a subdued domestic economy.

Operational resilience also matters.

As part of our continued focus on creating a better experience for customers, our leadership team, workforce, and government-agency partners have worked tirelessly to enhance the departures and arrivals experience.

These improvements have translated directly into faster processing, shorter queues, and a smoother journey for every passenger.

For example, since FY23 we have seen a 46 per cent improvement in median processing times in international arrivals, thanks to collaboration with Biosecurity New Zealand, the New Zealand Customs Service and ground handlers. It now takes about 17 minutes for a passenger to pass through Customs and exit into the international arrivals area, down from 31 minutes.

We were delighted to be recognized in the global SKYTRAX customer satisfaction survey, placing fourth for the Best Airports in the world with 10-20 million annual passengers, and 46th for customer satisfaction across all airports globally. For context, there are approximately 1,200 international airports in almost 200 countries.

These improvements in the traveller experience, supported by a concerted communications programme, saw Auckland Airport recognised in the top 10 in this year's Kantar Corporate Reputation Index that measures public perception of New Zealand's top corporates.

Auckland Airport scored its highest placement ever, moving up from 42nd to 9th place with high scores on trust and leadership, the biggest drivers of reputation.

Overall, I am confident we have markedly improved our resilience over the past year, and now I'll turn to the second key theme of my address which is fueling growth.

In this section I want to talk about how Auckland Airport is building capacity and connectivity for the future.

FY25 saw Auckland Airport release its refreshed Draft Master Plan, providing an initial vision for the airport out into the late-2040s – noting that it is dependent on growth triggers.

The document sets out a high-level view for our core operations – the airfield, terminals and other aeronautical assets – that reflects changes in customer expectations, technology, climate resilience, and the growing needs of Auckland and New Zealand.

Stakeholder feedback is ongoing and a critical part of the process, helping to shape the important decisions we need to make, often years in advance of delivering complex infrastructure. We have extended the timeframe for finalisation of our Master Plan to the first half of next year, to allow for additional and targeted consultation on certain key matters, including ground transport.

We are very mindful that Auckland Airport is not only a national airport - it is also Auckland's airport.

By 2050, Auckland's metropolitan population is projected to grow by approximately 700,000 people, reaching about 2.5 million—around half the population of Melbourne.

This level of expected growth brings significant challenges and responsibilities. Major infrastructure must be guided by clear trigger-based demand to ensure the right investments are made at the right time. While delivering large-scale projects is never easy, it remains essential for New Zealand to stay connected, competitive, and ready for the future.

Internationally, the long-term outlook is positive.

Our team is on the road year-round speaking to airlines, championing New Zealand and working to ensure we remain a destination of choice for travellers.

International airlines tell us they have aircraft deliveries on the way, and New Zealand is firmly in their sights.

Ongoing strength from the North American market continues as the second-highest source of inbound travellers for Auckland Airport, with a record 322k visitors from the United States in FY25. There was a strong recovery of visitors from Australia in FY25, the source of 43% of all visitor arrivals to New Zealand during the period.

As part of our role in attracting visitors, Auckland Airport actively works with regional tourism organisations to generate greater visitation from our key tourism markets of Australia, North America and China.

In May we announced an alliance of 15 North Island tourism organisations to leverage our collective tourism pulling power. We are seeking to better-connect the dots for international visitors to help them experience everything that is wonderful and unique about the North Island.

In September this grouping took the North Island 'Kiwi North' Showcase to Australia. It enabled more than 60 North Island tourism operators to connect with key Australian travel sellers at two events in Sydney and Melbourne.

Julia referenced in her presentation the new route from China through Auckland to South America, and we are really looking forward to its launch.

In other positive South America news, LATAM Airlines from the end of October will be ending their previous Santiago via Auckland to Sydney services, and will move to offer up to five weekly dedicated Santiago to Auckland services.

Across the Tasman, we are looking forward to Qantas' upcoming launch of two new trans-Tasman routes in late 2025; Perth to Auckland and Adelaide to Auckland. In December, Sichuan Airlines will return to year-round service on the Chengdu to Auckland route. With Sichuan Airlines return, Auckland Airport will have direct flight connections by five airlines to no less than eight cities in China. Other existing carriers adding notable seat capacity this summer include Malaysia Airlines, Cathay Pacific Airways and China Southern Airlines.

On the air cargo front, a milestone was achieved in July when China Southern Airlines launched New Zealand's first dedicated freight-aircraft route from Guangzhou to Auckland.

All told there will be 42 weekly flights linking Auckland and China this summer.

Trade is a key focus area of our growth strategy, reinforcing Auckland Airport's position as a leading port.

The vast majority of high-value airfreight is carried in the bellyhold of international passenger jets. Examples include high-value manufactured products, such as electronics and machinery, pharmaceuticals and medical equipment, and fresh produce from the fields of New Zealand's regions destined for export markets.

Every new plane we can add to our international schedule expands export capacity for New Zealand.

The 2024 EY economic impact report forecasts that by 2032 the value of annual freight movements through Auckland Airport will top $41 billion.

In line with this, we are developing a new cargo precinct on Manu Tapu Drive as part of the airfield expansion to centralise freight operations across the precinct.

By creating an efficient, integrated cargo hub, we're helping New Zealand businesses grow with more destinations, faster turnaround times, greater security and closer coordination between airlines, freight companies and ground handers.

Still to come is our brand-new domestic jet terminal, with construction now in full swing.

And, with the opening of the international airfield and the extra space, we can now get underway on the new domestic pier.

Almost quarter of a kilometre in length, it will have 12 aircraft gates, with six of those that are flexible and able to take two narrowbody or one widebody aircraft.

Capacity-wise, the domestic jet terminal will have 44% more processing space and 26% more seat capacity when it opens, along with an additional 10% capacity for bussing ops.

That's ultimately good news for consumers, because unlocking capacity is key to enable future growth and competition.

Our next big project is transforming the check-in area of the international terminal.

Over the next four years, our check-in hall will completely transform into a 13,000-square-metre departures area that's modern, digital and intuitive.

New self-service kiosks and automated bag drops will replace traditional counters, freeing up space, easing queues and improving flow.

The transformation of our check-in hall will be another complex and highly visible project.

We are modernising right to the core of our 24/7 operations and that means change for travellers and everyone that operates at the airport. There's simply no getting around that.

But the work is essential for us to grow and bring together domestic and international travel in one common check-in hall.

Rest assured, our priority continues to be delivering a smooth experience for travellers during the project. We're committed to keeping people informed, minimising disruption as much as possible, and managing the build safely. It will be worth it, when its complete.

We were very active commercially in FY25 with a well-balanced, diversified portfolio of activities.

The opening of Mānawa Bay was a major milestone in FY25. It's brought a new standard of premium outlet retail shopping for Auckland and today the centre employs up to 750 people at peak season, working across the centre's 117 stores.

At Mānawa Bay, long-term environmental performance is a priority. It achieved a 5-star Greenstar rating for its design, incorporating features such as solar panels, rainwater collection and carefully managed waste streams.

Another FY25 milestone in the airport's retail business was French global-travel retailer Lagardère taking an eight-year contract to operate our duty-free stores from July 1, 2025.

We are delighted to partner with Lagardère to bring the next evolution of duty-free shopping to Auckland Airport, which will include a phased refurbishment of the stores starting later this year.

A lot of public attention has focused on Ikea opening their Sylvia Park store in December.

Less well known is that Auckland Airport's aviation logistics and distribution precinct is the site for Ikea's local and national distribution centre. The 20,000 square metre, 5-star Green Star Design building opened in December to take about 8,000 to 10,000 cubic metres of inventory annually.

FY25 also saw the completion of a temperature-controlled pharmaceuticals facility for DHL Healthcare, which now operates five buildings at Auckland Airport, purpose-built for the company.

And three months ago, New Zealand's biggest supermarket business, Foodstuffs North Island, committed to a long-term lease of a new 30,000 square metre chilled and frozen food distribution centre at The Landing, across the road from the co-operative's new support centre. That building was also developed and owned by Auckland Airport.

More broadly, Auckland Airport's investment property portfolio ended FY25 strongly. It has a total value of $3.4 billion, a commercial property rent roll of $192 million, occupancy levels at 99%, and a weighted average lease term at just under nine years.

Mahia te mahi. We make it happen here.

This is language that binds all of us who work for and at Auckland Airport. It's a spirit that extends to our wider South Auckland community.

We thank all 734 employees of Auckland Airport who put their backs into the results we have presented to you today. We acknowledge the diverse skills and passions they bring to work every single day.

A new BusinessDesk survey of New Zealand's most productive companies in 2024 validates the efforts of our whole team. Auckland Airport topped the list from a selection of 20 companies from the NZX50 representing a cross-section of New Zealand's core industries.

We also have 1,500 people working on the construction of the terminal integration programme – set to grow to 2,500 at its peak.

Ensuring worker safety is a key priority as construction intensifies. The airport lowered our lost-time injury rate for contractors from 1.5 in FY24 to 0.31 in FY25 – a reflection of our focus on strong and effective safety management practices. The international airfield project team was a standout. They worked more than 1.3 million hours without a single lost-time injury.

Auckland Airport's contract with Hawkins achieves social, economic and environmental outcomes alongside delivering infrastructure. It considers broader outcomes when making procurement, employment and operational decisions. Although early in project delivery, benefits are flowing back into the community. We have adopted environmental outcomes, provided students with work experience, and spent more than $2 million with Māori and Pasifika businesses so far.

In support of the South Auckland community which we call home, FY25 saw us contribute half a million dollars in cash and kind to the Ara Auckland Airport Jobs and Skills Hub located on our precinct. Since 2015, Ara has graduated 1,230 students who leave with experience, vocational direction, and hope for the future.

Whether building resilience or fueling growth, my message is that Auckland Airport is future-proofing to serve the needs of travellers; and airlines, for Auckland, and for New Zealand.

My address last year was about what was to come.

This year it is about demonstrating delivery. We are doing what we said we would.

We have the momentum, the team and the drive to continue delivering for New Zealand.

Ngā mihi. Thank you.

ENDS

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