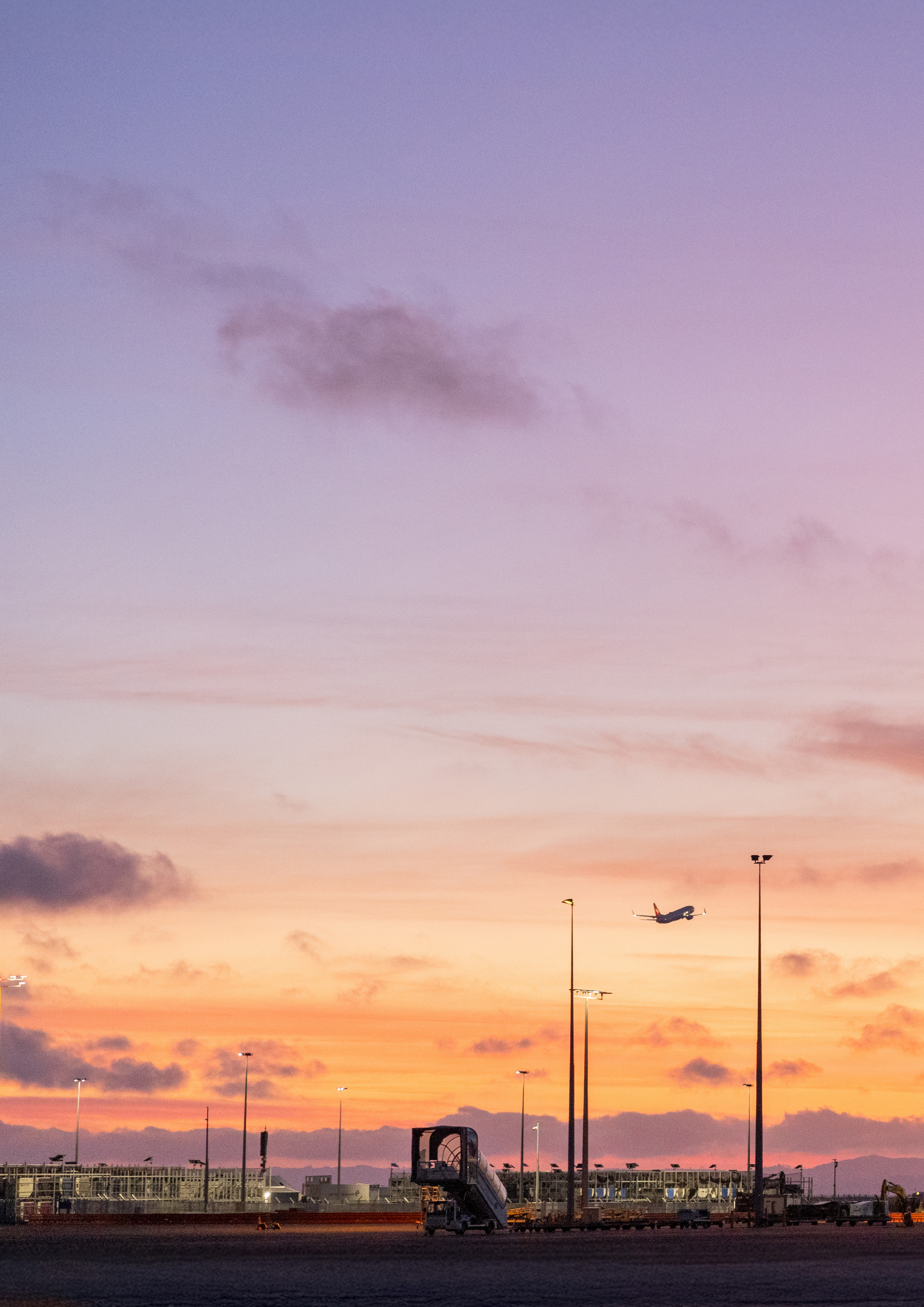
Auckland Airport

Interim Financial Statements 2025



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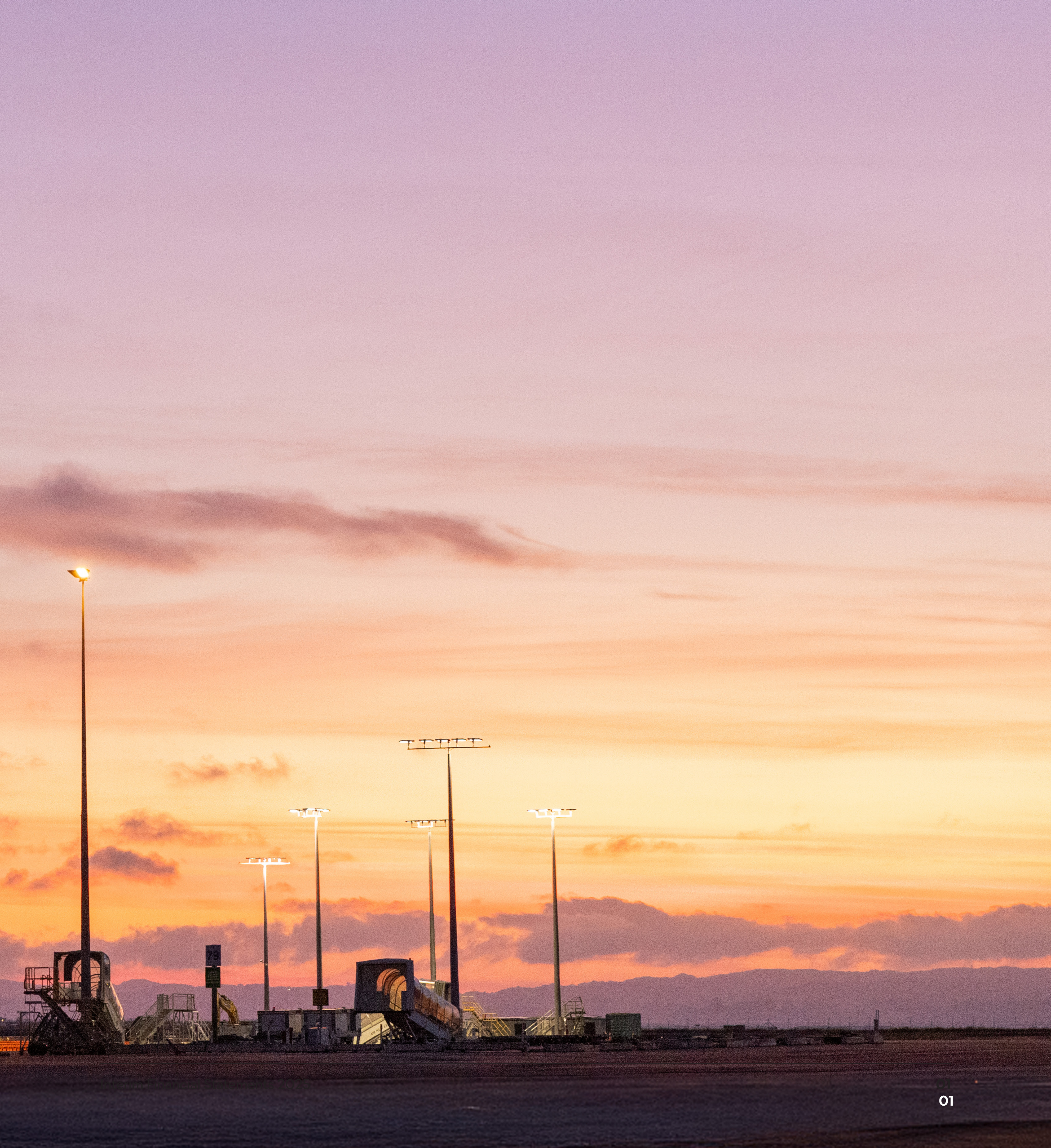

Consolidated interim income statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Notes	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
Income			
Airfield income		84.5	75.3
Passenger services charge		139.7	119.5
Retail income		94.1	90.3
Rental income		98.6	87.4
Rates recoveries		7.6	6.5
Car park income		35.9	33.8
Interest income		15.7	2.5
Flood-related insurance recoveries	3	4.0	10.0
Other income		19.8	15.2
Total income		499.9	440.5
Expenses			
Staff	5	42.9	36.9
Asset management, maintenance and airport operations		65.3	51.9
Rates and insurance		20.6	17.5
Marketing and promotions		5.4	4.0
Professional services and levies		4.1	4.0
Flood-related expense	3	1.5	8.6
Other expenses		10.6	7.0
Expected credit losses		(0.1)	0.4
Total expenses		150.3	130.3
Earnings before interest expense, taxation, depreciation, fair value adjustments and investments in associate and joint ventures (EBITDAFI)[1]		349.6	310.2
Investment property fair value change	10	50.5	(27.1)
Derivative fair value change		(0.5)	(0.3)
Share of profit of associate and joint ventures	7	3.5	4.7
Earnings before interest, taxation and depreciation (EBITDA)[1]		403.1	287.5
Depreciation		99.2	84.3
Earnings before interest and taxation (EBIT)[1]		303.9	203.2
Interest expense and other finance costs	5	43.9	33.1
Profit before taxation	4	260.0	170.1
Taxation expense		72.7	51.4
Profit after taxation, attributable to the owners of the parent		187.3	118.7
Earnings per share		Cents	Cents
Basic earnings per share[2]	12	12.05	7.98
Diluted earnings per share[2]	12	12.04	7.98

1 EBITDAFI, EBITDA and EBIT are non-GAAP measures. Refer to the 2024 Annual Report, note 3(d).
2 The company has restated the prior year basic and diluted earnings per share to reflect the dilution that arose as a result of the new shares issued from the capital raise. Refer to note 12 of the financial statements.

The financial statements for the six-months ended have not been audited. They have been the subject of a review by the auditors pursuant to New Zealand Standard for Review Engagements 2410 (Revised) for the six-months ended 31 December 2024 and 31 December 2023. The full-year financial statements for the year ended 30 June 2024 have been audited.
The accompanying notes form part of these interim financial statements.

Consolidated interim statement of comprehensive income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

		Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
Profit for the period		187.3	118.7
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Flood-related fixed asset impairment reversals	3	-	10.8
Tax on the property, plant and equipment revaluation reserve		-	(3.0)
Items that will not be reclassified to the income statement		-	7.8
Items that may be reclassified subsequently to the income statement:			
Cash flow hedges:			
Fair value (losses)/gains recognised in the cash flow hedge reserve		(41.2)	(28.7)
Realised losses/(gains) transferred to the income statement		(3.1)	(3.0)
Tax effect of movements in the cash flow hedge reserve		12.4	8.9
Total cash flow hedge movement		(31.9)	(22.8)
Movement in cost of hedging reserve		1.8	(0.9)
Tax effect of movement in cost of hedging reserve		(0.5)	0.2
Items that may be reclassified subsequently to the income statement		(30.6)	(23.5)
Total other comprehensive income/(loss)		(30.6)	(15.7)
Total comprehensive income for the period, net of tax, attributable to the owners of the parent		156.7	103.0

These interim financial statements were approved and adopted by the Board on 19 February 2025.

Signed on behalf of the Board by

Julia Hoare
Director, Chair of the Board

Grant Devonport
Director, Chair of the Audit and Financial Risk Committee

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Consolidated interim statement of changes in equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Notes	Issued and paid-up capital $M	Cancelled share reserve $M	Property, plant and equipment revaluation reserve $M	Share-based payments reserve $M	Cash flow hedge reserve $M	Cost of hedging reserve $M	Share of reserves of associate and joint ventures $M	Retained earnings $M	Total $M
Six months ended 31 December 2024 (unaudited)										
At 1 July 2024		1,739.9	(609.2)	5,506.9	1.9	20.2	(4.0)	62.1	1,892.3	8,610.1
Profit for the period		-	-	-	-	-	-	-	187.3	187.3
Other comprehensive income		-	-	-	-	(31.9)	1.3	-	-	(30.6)
Total comprehensive income		-	-	-	-	(31.9)	1.3	-	187.3	156.7
Reclassification to retained earnings		-	-	(0.1)	(0.4)	-	-	-	0.5	-
Shares issued	12	1,375.8	-	-	-	-	-	-	-	1,375.8
Long-term incentive plan		-	-	-	0.4	-	-	-	-	0.4
Dividend paid	8	-	-	-	-	-	-	-	(96.2)	(96.2)
At 31 December 2024		3,115.7	(609.2)	5,506.8	1.9	(11.7)	(2.7)	62.1	1,983.9	10,046.8
Six months ended 31 December 2023 (unaudited)										
At 1 July 2023		1,680.8	(609.2)	5,187.3	2.0	31.6	(1.7)	62.1	2,024.6	8,377.5
Profit for the period		-	-	-	-	-	-	-	118.7	118.7
Other comprehensive income		-	-	7.8	-	(22.8)	(0.7)	-	-	(15.7)
Total comprehensive income		-	-	7.8	-	(22.8)	(0.7)	-	118.7	103.0
Reclassification to retained earnings		-	-	(5.8)	-	-	-	-	5.8	-
Shares issued	12	21.3	-	-	-	-	-	-	-	21.3
Long-term incentive plan		-	-	-	-	-	-	-	-	-
Dividend paid	8	-	-	-	-	-	-	-	(58.9)	(58.9)
At 31 December 2023		1,702.1	(609.2)	5,189.3	2.0	8.8	(2.4)	62.1	2,090.2	8,442.9

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Consolidated interim statement of financial position

AS AT 31 DECEMBER 2024

	Notes	Unaudited As at 31 Dec 2024 $M	Audited As at 30 Jun 2024 $M
Non-current assets			
Property, plant and equipment	9	9,168.5	8,755.0
Investment properties	10	3,273.8	3,123.9
Investment in associate and joint ventures	7	181.3	180.6
Derivative financial instruments		63.8	53.5
		12,687.4	12,113.0
Current assets			
Cash and cash equivalents	11	464.4	219.7
Medium-term deposits	11	325.0	-
Trade and other receivables		114.9	82.3
Derivative financial instruments		0.3	1.2
		904.6	303.2
Total assets		13,592.0	12,416.2
Shareholders' equity			
Issued and paid-up capital	12	3,115.7	1,739.9
Reserves		4,947.2	4,977.9
Retained earnings		1,983.9	1,892.3
		10,046.8	8,610.1
Non-current liabilities			
Term borrowings	13	2,139.8	2,403.3
Derivative financial instruments		28.4	24.6
Deferred tax liability		808.0	810.0
Other term liabilities		2.0	2.3
		2,978.2	3,240.2
Current liabilities			
Accounts payable and accruals		186.7	205.0
Taxation payable		43.1	65.4
Derivative financial instruments		-	0.3
Short-term borrowings	13	323.6	281.4
Provisions		13.6	13.8
		567.0	565.9
Total equity and liabilities		13,592.0	12,416.2

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Consolidated interim cash flow statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Notes	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
Cash flow from operating activities			
Cash was provided from:			
Receipts from customers		445.5	399.3
Interest received		6.1	2.4
		451.6	401.7
Cash was applied to:			
Payments to suppliers and employees		(134.7)	(138.5)
Income tax paid		(84.5)	(22.4)
Interest paid		(45.8)	(31.7)
		(265.0)	(192.6)
Net cash flow from operating activities	6	186.6	209.1
Cash flow from investing activities			
Cash was provided from:			
Share of dividends received and repayment of partner contribution	7	3.6	6.7
		3.6	6.7
Cash was applied to:			
Property, plant and equipment additions		(502.3)	(451.5)
Interest paid – capitalised		(30.7)	(24.0)
Investment property additions		(95.6)	(125.9)
Investment in joint ventures		(0.8)	-
		(629.4)	(601.4)
Net cash flow applied to investing activities		(625.8)	(594.7)
Cash flow from financing activities			
Cash was provided from:			
Increase in share capital		1,375.1	-
Increase in medium-term deposits		(325.0)	-
Increase in borrowings		555.0	1,015.7
		1,605.1	1,015.7
Cash was applied to:			
Decrease in borrowings		(825.0)	(640.0)
Dividends paid	8	(96.2)	(38.4)
		(921.2)	(678.4)
Net cash flow from financing activities		683.9	337.3
Net (decrease)/increase in cash held		244.7	(48.3)
Opening cash brought forward		219.7	106.2
Ending cash carried forward		464.4	57.9

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Notes and accounting policies

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

1. Corporate information

Auckland International Airport Limited ('the company' or 'Auckland Airport') is a company established under the Auckland Airport Act 1987 and was incorporated on 20 January 1988 under the Companies Act 1955. The company was re-registered under the Companies Act 1993 on 6 June 1997. The company is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013.

The financial statements presented are for Auckland Airport and its wholly-owned subsidiaries, joint ventures and an associate ('the group').

These interim financial statements were authorised for issue in accordance with a resolution of the directors on 19 February 2025.

2. Basis of preparation and summary of material accounting policies

The condensed consolidated interim financial statements ('interim financial statements') have been prepared in accordance with generally accepted accounting practice ('GAAP') in New Zealand and the requirements of the Financial Markets Conduct Act 2013 and the Main Board/ Debt Market Listing Rules of NZX Limited. The interim financial statements comply with New Zealand Equivalent to International Accounting Standards NZ IAS 34 and IAS 34 *Interim Financial Reporting*.

Auckland Airport is designated as a for-profit entity for financial reporting purposes.

These interim financial statements are not required to and do not make disclosure of all of the information required to be included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements and related notes included in Auckland Airport's Annual Report for the year ended 30 June 2024.

These interim financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars ($M) and one decimal point unless otherwise indicated.

The accounting policies and methods of computation set out in the 2024 Annual Report have been applied consistently to all periods presented in these interim financial statements. There were no new accounting standards, interpretations or amendments with a material impact on these interim financial statements.

Accounting standards not yet effective

New or revised standards and interpretations that have been approved but are not yet effective have not been adopted by the group in these interim financial statements.

NZ IFRS 18 *Presentation and Disclosure in Financial Statements*, issued in May 2024, is effective for annual reporting periods beginning on or after 1 January 2027, and entities can early adopt this accounting standard. NZ IFRS 18 sets out requirements for the presentation and disclosure of information in general-purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The group is yet to assess NZ IFRS 18's full impact. The group intends to apply the standard when it becomes mandatory from 1 January 2027.

There are no other new or amended standards that are issued but not yet effective, that are expected to have a material impact on the group.

3. Changes in key estimates and judgements

Flood-related insurance matters

On 27 January 2023, Auckland experienced widespread flash flooding caused by record-breaking rainfall. Auckland Airport experienced flooding across the precinct and particularly the international terminal building. Both the domestic and international terminals were closed for short periods starting that evening, with domestic flights resuming at midday on 28 January 2023 and international flights from the morning of 29 January 2023.

Auckland Airport suffered flood damage to assets across its precinct. The most significant areas of damage were to check-in, baggage and vertical transportation at the international terminal building. Auckland Airport has material damage, business interruption and construction works insurance policies in place. The group engaged independent experts to estimate the extent and cost of damage and to support the insurance claim process.

The group recognises the expected insurance proceeds when they can be reliably estimated and the recovery is virtually certain. The insurers agreed to a further payment of $4.0 million, which the group has recognised as income during the six months ended 31 December 2024. In total, the group has recognised $28.0 million as income since the January 2023 event.

The repair and replacement of damaged assets is advanced, save for vertical transport, which is planned to be completed during the 2025 calendar year. During the six months ended 31 December 2024 the group recognised $1.5 million of flood-related expenses for repairs. In total, the group has recognised $22.3 million as flood-related expenses since the January 2023 event.

The group has recognised net proceeds of $2.5 million in the consolidated interim income statement during the six months ended 31 December 2024 and net proceeds of $5.7 million since the January 2023 event.

4. Segment information

(a) Identification of reportable segments

The group has identified its operating segments based on the internal reports reviewed and used by the chief executive, as the chief operating decision-maker, in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of services provided. Discrete financial information about each of these operating segments is reported to the chief executive monthly. The chief executive assesses the performance of the operating segments based on segment EBITDAFI[1]. Interest income and expenditure, taxation, depreciation, fair value adjustments, and share of profits of associate and joint ventures are not allocated to operating segments as the group manages the cash position and borrowings at a group level.

(b) Types of services provided

Aeronautical

The aeronautical business provides services that facilitate the movement of aircraft, passengers and cargo, and provides utility services that support the airport. The aeronautical business also earns rental revenue from space leased in facilities such as terminals.

Retail

The retail business provides services to the retailers within the terminals and provides car parking facilities for passengers, visitors and airport staff.

Property

The property business earns rental revenue from space leased on airport land outside the terminals including cargo buildings, hangars, shops and other stand-alone investment properties.

	Aeronautical $M	Retail $M	Property $M	Total $M
Six months ended 31 December 2024 (unaudited)				
Total segment income	248.5	138.7	94.7	481.9
Total segment expenses	62.6	27.6	23.4	113.6
Segment EBITDAFI[1]	185.9	111.1	71.3	368.3
Six months ended 31 December 2023 (unaudited)				
Total segment income	224.2	131.7	79.8	435.7
Total segment expenses	61.8	20.6	16.3	98.7
Segment EBITDAFI[1]	162.4	111.1	63.5	337.0

Income reported above represents income generated from external customers. There was no inter-segment income in the period (31 December 2023: nil).

(c) Reconciliation of segment EBITDAFI to income statement

	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
Segment EBITDAFI[1]	368.3	337.0
Unallocated external operating income	18.0	4.8
Unallocated external operating expenses	(36.7)	(31.6)
Total EBITDAFI as per income statement[1]	349.6	310.2
Investment property fair value increase/(decrease)	50.5	(27.1)
Derivative fair value change	(0.5)	(0.3)
Share of profit/(loss) of associate and joint ventures	3.5	4.7
Depreciation	(99.2)	(84.3)
Interest expense and other finance costs	(43.9)	(33.1)
Profit/(loss) before taxation	260.0	170.1

1 EBITDAFI is a non-GAAP measure. Refer to the 2024 Annual Report, note 3(d).

The income included in unallocated external operating income consists mainly of interest payments from third-party financial institutions and income from telecommunication and technology services provided to tenants. The expenses included in unallocated external operating expenses consists mainly of listed company costs including registry and listing fees, corporate staff expenses, and corporate legal and consulting fees.

5. Profit for the period

	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
Staff expenses comprise:		
Salaries and wages	50.5	40.7
Capitalised salaries and wages	(15.1)	(10.3)
Employee benefits	3.8	2.9
Share-based payment plans	0.3	0.1
Defined contribution superannuation	1.5	1.2
Other staff costs	1.9	2.3
	42.9	36.9
Interest expense and other finance costs comprise:		
Interest on bonds and related hedging instruments	35.5	29.3
Interest on bank facilities and related hedging instruments	6.3	10.9
Interest on AMTN notes and related hedging instruments	29.4	12.4
Interest on commercial paper and related hedging instruments	3.4	4.5
Total interest expense and other finance costs	74.6	57.1
Less capitalised borrowing costs	(30.7)	(24.0)
Interest expense and other finance costs as per income statement	43.9	33.1
Interest rate for capitalised borrowings costs	5.75%	5.66%

The interest expense amounts disclosed in the table above include the effect of interest rate hedges. The gross interest costs of bonds, bank facilities, Australian Medium Term Notes ('AMTN') and commercial paper, excluding the impact of interest rate hedges, was $74.9 million for the six months ended 31 December 2024 (31 December 2023: $56.6 million).

The interest expense recognised in the income statement excludes capitalised borrowing costs of $30.7 million (31 December 2023: $24.0 million). Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of that asset. Capitalisation is suspended if active development of the qualifying asset is suspended for an extended period.

6. Reconciliation of profit after taxation with cash flow from operating activities

	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
Profit after taxation	187.3	118.7
Adjustments for:		
Depreciation	99.2	84.3
Deferred taxation benefit	10.5	2.5
Share-based payments	0.3	0.1
Equity-accounted loss/(earnings) from associate and joint ventures	(3.5)	(4.7)
Investment property fair value decrease/(increase)	(50.5)	27.1
Derivative fair value decrease	0.5	0.3
Items not classified as operating activities:		
Loss on asset disposals	0.1	-
(Increase)/decrease in property, plant and equipment retentions and payables	17.0	(2.0)
Increase in investment property retentions and payables	16.0	0.8
Increase in investment property lease incentives and receivables	(16.2)	(5.1)
Items recognised directly in equity	(0.4)	0.9
Movement in working capital:		
(Increase)/decrease in trade and other receivables	(32.6)	(45.7)
Increase/(decrease) in taxation payable	(22.3)	26.5
Increase/(decrease) in accounts payable and provisions	(18.5)	6.9
Decrease in other term liabilities	(0.3)	(1.5)
Net cash flow from operating activities	186.6	209.1

7. Investment in associate and joint ventures

Movement in the group's carrying amount of investments in associate and joint ventures

	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
Investment in associate and joint ventures at the beginning of the period	180.6	193.1
Further investment in joint ventures	0.8	-
Share of profit/(loss) after tax of associate and joint ventures	3.5	4.7
Share of dividends received and repayment of partner contribution	(3.6)	(6.7)
Investment in associate and joint ventures at the end of the period	181.3	191.1

Share of (loss)/profit after tax of associate and joint ventures

Carrying value of investments in associate and joint ventures

	Unaudited As at 31 Dec 2024 $M	Audited As at 30 Jun 2024 $M
Tainui Auckland Airport Hotel Limited Partnership	39.7	39.0
Tainui Auckland Airport Hotel 2 Limited Partnership	30.3	30.9
Queenstown Airport Corporation Limited	111.3	110.7
Total	181.3	180.6

8. Distribution to shareholders

	Dividend payment date	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M
2023 final dividend	6 October 2023	-	58.9
2024 final dividend	4 October 2024	96.2	-

During the six months ended 31 December 2024, $96.2 million was paid in cash (31 December 2023: $20.5 million reinvested and $38.4 million paid in cash).

The company has a dividend reinvestment plan, but this was temporarily suspended during the period due to the timing of the equity raise. Refer to note 12.

9. Property, plant and equipment

	Unaudited As at 31 Dec 2024 $M	Audited As at 30 Jun 2024 $M
Carried at fair value	8,029.9	7,718.9
Carried at cost	255.8	245.9
Work in progress at cost	1,281.8	1,089.6
Accumulated depreciation	(399.0)	(299.4)
Net carrying amount	9,168.5	8,755.0

The group carries land, buildings and services, infrastructure and runway, taxiways and aprons at fair value.

At 31 December 2024 the group undertook a desktop review of the property, plant and equipment balances carried at fair value.

- For land assets previously formally revalued using the discounted cash flow approach, the 31 December 2024 desktop assessment compared retail and car parking performance with independent valuers' views at the last formal valuation as at 30 June 2023.
- For land assets previously formally revalued using the market value alternative use and direct sales comparison approaches, the desktop assessment considered the outcome of the investment property desktop review described in note 10, in particular the vacant land component.
- For all other assets previously formally revalued using the optimised depreciated replacement cost approach, the desktop assessment considered movements in the capital goods price index.

These assessments indicated there was no material fair value movement in any class of property, plant and equipment from 30 June 2024.

Vehicles, plant and equipment and work in progress are carried at cost.

Additions to property, plant and equipment, including work in progress, were $515.0 million for the six months ended 31 December 2024 (six months ended 31 December 2023: $473.4 million). These include works associated with the integration of the domestic and international terminals, airfield renewals and expansion and Transport Hub.

There were no transfers from investment property during the six months ended 31 December 2024 (transfers to investment property during the six months ended 31 December 2023: $1.4 million).

The following categories of property, plant and equipment are leased to tenants:

- Aeronautical land, including land associated with aircraft, freight and terminal use carried at $339.7 million (30 June 2024: $339.7 million);
- Land associated with retail facilities within terminal buildings carried at $1,664.5 million (30 June 2024: $1,664.5 million); and
- Terminal building premises (within buildings and services), being 15% of total floor area and carried at $339.7 million (30 June 2024: 15% of total floor area or $311.7 million).

10. Investment properties

	Unaudited 6 months to 31 Dec 2024 $M	Audited 12 months to 30 Jun 2024 $M
Balance at the beginning of the period	3,123.9	2,882.1
Additions	83.2	240.7
Transfers to property, plant and equipment (note 9)	-	8.4
Change in net revaluations	50.5	(15.3)
Lease incentives capitalised	14.8	5.8
Lease incentives amortised	(2.4)	(4.0)
Spreading of fixed rental increases	3.8	6.2
Balance at the end of the period	3,273.8	3,123.9

Investment property is measured at fair value, which reflects market conditions at balance date. To determine fair value, the group ordinarily commissions investment property valuations at 30 June each year and undertakes a desktop revaluation at 31 December each year. Auckland Airport also reviews investment properties that are recently constructed or in the latter stages of construction at 31 December each year.

The basis of valuation is market value, based on each property's highest and best use. The valuation methodologies used were a direct sales comparison or a direct capitalisation of rental income, using market comparisons of capitalisation rates, supported by a discounted cash flow approach.

The desktop revaluations were performed by Colliers International (Colliers), Savills Limited (Savills) and Jones Lang LaSalle Limited (JLL) based on key valuation metrics. The valuers did not re-inspect the properties but undertook relevant investigations, including considering any tenant changes, assessing market rentals and reviewing capitalisation rates in order to determine the desktop value of the group's investment properties. The desktop revaluations have been reviewed and assessed by management and subsequently adopted by the group. This has resulted in a fair value increase of $50.5 million or 1.7% for the overall portfolio for the six months ended 31 December 2024 (31 December 2023: decrease of $27.1 million or 0.9%).

The following categories of investment property are leased to tenants:

- Retail and service carried at $644.2 million (30 June 2024: $573.3 million);
- Industrial carried at $2,139.5 million (30 June 2024: $2,059.8 million); and
- Other investment property carried at $165.0 million (30 June 2024: $165.9 million).

11. Cash and cash equivalents and medium-term deposits

	Unaudited As at 31 Dec 2024 $M	Audited As at 30 Jun 2024 $M
Cash and bank balances	89.4	9.3
Short-term deposits (less than three months)	375.0	210.4
Total cash and cash equivalents	464.4	219.7
Medium-term deposits (three to six months)	325.0	-
Total cash and term deposits	789.4	219.7

Cash and bank balances earn interest at daily bank deposit rates. During the period ended 31 December 2024, surplus funds were deposited on the overnight money market or term deposit at a rate of 4.10% to 5.85% (31 December 2023: at a rate of 5.35% to 6.00%).

As a result of the capital raise undertaken to support the group's capital investment programme, the company has seen a significant increase in cash and term deposits.

At 31 December 2024, the group held total cash and term deposits of $789.4 million (30 June 2024: $219.7 million).

The short-term and medium-term deposits at 31 December 2024 ranged from $50.0 million to $225.0 million and were spread across five financial institutions to minimise credit risk, with those being ANZ Bank, Bank of China, China Construction Bank, Bank of New Zealand and Westpac New Zealand (30 June 2024: $20.0 million to $80.0 million across four financial institutions). These financial institutions had a credit rating of 'A' or above from S&P. The level of deposits at each financial institution recognises a balance between returns and credit risk.

Further details of Auckland Airport's credit risk objectives and policies is available in note 18(d) of the 2024 Annual Report.

12. Issued and paid-up capital and earnings per share

	Unaudited 6 months to 31 Dec 2024 $M	Unaudited 6 months to 31 Dec 2023 $M	Unaudited 6 months to 31 Dec 2024 Shares	Unaudited 6 months to 31 Dec 2023 Shares
Opening issued and paid-up capital	1,739.9	1,680.8	1,479,784,490	1,472,279,341
Shares fully paid and allocated to employees by employee share scheme	0.3	0.5	38,665	86,000
Shares vested to employees participating in long-term incentive plans	0.4	0.3	111,472	86,561
Shares issued under the dividend reinvestment plan	-	20.5	-	2,664,882
Shares issued under the capital raise	1,375.1	-	201,438,848	-
Closing issued and paid-up capital	3,115.7	1,702.1	1,681,373,475	1,475,116,784

Capital Raise

On 16 September 2024, Auckland Airport announced an equity raise comprising a $1.2 billion underwritten private placement and a $200 million non-underwritten retail offer. The proceeds will support the group's planned capital investment programme and its targeted A- S&P credit rating and dividend policy. The additional liquidity enabled the reduction in debt and bank facilities as outlined in note 12.

The company issued a total of 201,438,848 ordinary shares under the private placement and retail offer. Shares were issued at an issue price of $6.95, representing a 7.0% discount to the ex-dividend adjusted last close price of $7.48 on 13 September 2024. Total capital raised of $1,375.1 million is net of directly attributable share issue costs of $24.9 million.

Earnings per share

The earnings used in calculating basic and diluted earnings per share is net profit attributable to equity holders of $187.3 million (six months ended 31 December 2023: $118.7 million).

The weighted average number of shares used to calculate basic and diluted earnings per share is as follows:

	Unaudited 6 months to 31 Dec 2024 Shares	Unaudited Restated 6 months to 31 Dec 2023 Shares
For basic earnings per share	1,554,753,060	1,488,155,073
Dilution effect of share options	326,339	256,448
For diluted earnings per share	1,555,079,399	1,488,411,521

To ensure comparability and transparency, the basic and diluted earnings per share figures for the prior period have been restated to account for the impact of the new shares issued from the capital raise noted above. The basic and diluted earnings per share for the current and restated prior period include an "implied bonus" element. This bonus element arises from the 7% discount on the capital raise, which means more shares were issued than if they had been sold at the full market price. The current year figures have been adjusted as if those bonus shares were in place for the entire financial year, rather than just from the issue date.

The reported basic earnings per share for the six months ended 31 December 2024 is 12.05 cents (restated six months ended 31 December 2023: 7.98 cents).

The reported diluted earnings per share for the six months ended 31 December 2024 is 12.04 cents (restated six months ended 31 December 2023: 7.98 cents).

13. Borrowings

	Unaudited As at 31 Dec 2024 $M	Audited As at 30 Jun 2024 $M
Current		
Commercial paper	103.6	118.4
Bank facilities	70.0	13.0
Bonds	150.0	150.0
Total short-term borrowings	323.6	281.4
Non-current		
Bank facilities	30.0	192.0
Bonds	1,143.7	1,274.4
AMTN notes	966.1	936.9
Total term borrowings	2,139.8	2,403.3
Total		
Commercial paper	103.6	118.4
Bank facilities	100.0	205.0
Bonds	1,293.7	1,424.4
AMTN notes	966.1	936.9
Total borrowings	2,463.4	2,684.7

In the six-month period to 31 December 2024, the company reduced its bank and debt financing, which has been enabled by the additional liquidity from the capital raise.

The group repaid the $150.0 million six-year 3.51% fixed-rate bond at maturity in October 2024.

The $100 million facility with Mizuho Bank Ltd matured in August 2024.

The group brought forward the maturity of the $70 million facility with Mizuho Bank Ltd from August 2026 to January 2025.

The following bank facilities were cancelled prior to maturity:

- The $40 million facility with ANZ Bank New Zealand Limited that was set to mature in August 2026.
- The $150 million facility with Bank of New Zealand that was set to mature in May 2025.
- The $40 million facility with Westpac New Zealand Limited that was set to mature in August 2026.
- The $50 million facility with The Bank of Tokyo-Mitsubishi UFJ, Ltd that was set to mature in November 2025.
- A $100 million portion of the $125 million facility with Commonwealth Bank of Australia, retaining $25 million that will mature in November 2025.

As at 31 December 2024, the company had undrawn bank facilities of $625.0 million (30 June 2024: $1,000.0 million).

During the current and prior periods, there were no defaults or breaches on any of the borrowing facilities.

14. Financial risk management

The group has a treasury policy that limits exposure to market risk for changes in interest rates and foreign currency, liquidity risk and counter-party credit risk. The group has no other material direct price risk exposure.

The interim financial statements do not include all financial risk management information and disclosures and should be read in conjunction with note 18 of the 2024 Financial Statements.

Further information is also contained in the risk management section of the 2024 Annual Report.

There have been no significant changes in the financial risk management objectives and policies since 30 June 2024.

15. Fair value of financial instruments

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the period to 31 December 2024 (30 June 2024: nil).

The following financial instruments are carried at amortised cost, which approximates their fair value:

- Cash;
- Trade and other receivables;
- Accounts payable and accruals;
- Other term liabilities; and
- Borrowings issued at floating rates.

Borrowings issued at fixed rates, including bonds and AMTN notes, are also carried at amortised cost, which differs from their fair value. The fair values are shown in the table below for comparative purposes and are determined as follows:

- The group's bonds are classified as level 1. The fair value of the bonds is based on the quoted market prices for these instruments at balance date; and
- The group's AMTN notes are classified as level 2. The fair value of the AMTN notes has been determined at balance date on a discounted cash flow basis using the AUD Bloomberg curve and applying discount factors to the future AUD interest payment and principal payment cash flows.

	Unaudited		Audited	
	31 Dec 2024		30 Jun 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	$M	$M	$M	$M
Bonds	1,293.7	1,335.4	1,424.4	1,450.7
AMTN notes	966.1	985.5	936.9	965.6

The group's derivative financial instruments are carried at fair value and are classified as level 2. The fair values are determined on a discounted cash flow basis. The future cash flows are forecast using the key inputs presented in the table below. The forecast cash flows are discounted at a rate that reflects the credit risk of both counterparties to the derivative financial instruments.

	Unaudited Fair value As at 31 Dec 2024 $M	**Audited** Fair value As at 30 Jun 2024 $M	**Valuation key inputs**
Interest rate swaps			Forward interest rates (from observable yield curves) and contract interest rates
Assets	31.1	43.5	
Liabilities	(26.9)	(14.7)	
Cross-currency interest rate swaps			
Assets	33.0	11.0	Forward interest and foreign exchange rates (from observable yield curves and forward foreign exchange rates) and contract rates
Liabilities	(1.5)	(9.8)	
Forward foreign currency contracts			
Assets	0.2	0.2	Forward foreign exchange rates and contract rates
Liabilities	-	(0.6)	Forward foreign exchange rates and contract rates

16. Commitments

(a) Property, plant and equipment

The group had contractual obligations to purchase or develop property, plant and equipment for $1,117.1 million at 31 December 2024 (30 June 2024: $439.9 million). These include aeronautical works associated with the terminal integration programme, including a key contract with Hawkins Limited to construct the domestic jet terminal building.

(b) Investment property

The group had contractual obligations to purchase, develop, repair or maintain investment property for $55.7 million at 31 December 2024 (30 June 2023: $120.9 million). These include the development of buildings for IKEA and DHL, alongside industrial developments.

17. Contingent liabilities

Noise mitigation

Auckland Airport Designation 1100, contained in the Auckland Unitary Plan, sets out Auckland Airports' obligations for noise mitigation for properties affected by aircraft noise. This includes obligations to mitigate the impact of aircraft noise through the installation of noise mitigation packages to existing dwellings and schools. The noise mitigation packages provide treatment of dwellings to achieve an internal noise environment of no more than 40dB. The company is required to subsidise 100% of treatment costs for properties in the high aircraft noise area and 75% in the medium aircraft noise area.

The aircraft noise contours included in Designation 1100 reflect the long-term predicted aircraft noise levels generated by aircraft operations from the existing runway and proposed northern runway. Annually, the company projects the level of noise that will be generated from aircraft operations for the following 12 months. These annual projections confirm which dwellings and schools are eligible for noise mitigation each year and offers are sent to those affected properties. It is at the discretion of the individual landowner whether they accept a noise mitigation package.

Projections are undertaken annually to determine eligibility, and the rate of acceptance of offers of treatment by landowners is variable.

However, it is estimated that further costs on noise mitigation should not exceed $7.0 million (30 June 2024: $7.2 million).

Firefighting foam contaminated water and soil clean-up

Per and Polyfluoroalkyl Substances (PFAS) containing firefighting foam has been widely used in the airport sector, globally and throughout New Zealand. There is evidence of varying levels of PFAS contamination derived from historical firefighting foams used at Auckland Airport. As disclosed in note 21 of the 2024 Financial Statements, the group continues to recognise a provision for contamination where it has a present obligation to remediate the contamination it has identified in surface water and sediment.

The group has also detected further low level PFAS contamination within a stockpile of fill material, located on vacant land. There is currently no environmental requirement or other obligation to remove the contaminated material, which is adequately contained. The group has estimated a contingent liability of $13.4 million to remove and treat contaminated fill material within the stockpile (30 June 2024: $13.4 million).

18. Share-based payment plan

In 2024, the Board undertook an external review of the LTI scheme resulting in a new service-based plan and a modification of the vesting rules for new offers under the hurdle-based LTI plans with a revised peer group.

Hurdle-based LTI plan

Under the hurdle-based LTI plan, share rights are granted to participating executives with a three-year vesting period. Share rights, once vested and exercised, entitle the participating executives to receive shares in Auckland Airport. The receipt of the shares, or vesting, is at nil cost to executives and subject to them remaining employed by Auckland Airport during the vesting period and achievement of total shareholder return (TSR) performance hurdles.

For 50% of the shares granted under the plans, all shares will vest if the TSR equals or exceeds the company's cost of equity plus 1% compounding annually (independently calculated by Jarden and PricewaterhouseCoopers). For the other 50% of shares granted, the proportion of shares that vest depends on Auckland Airport's TSR relative to a peer group.

- For LTI offers made before 30 June 2024, the peer group comprises the members of the Dow Jones Brookfield Airports Infrastructure Index (excluding Auckland Airport) at each grant date.
- For LTI offers made after 1 July 2024, after taking external advice, the peer group comprises of 10 NZX and ASX listed companies in the energy, infrastructure and logistics industries.

A total of 235,392 shares rights were granted during the six months ended 31 December 2024. The total number of rights in issue under this scheme as at 31 December 2024 is 554,634. No shares were vested in the period ending 31 December 2024.

If the performance targets are not achieved or if executives depart from Auckland Airport before their share rights vest, such rights will be forfeited. The Board has residual discretion to reduce the number of shares that vest, or to waive the requirement to remain employed.

Service-based LTI plan

Under the new service-based LTI plan, share rights are granted to participating executives with 30% subject to an 18-month vesting period and the remaining 70% subject to a three-year vesting period.

Share rights, once vested and exercised, entitle the participating executives to receive shares in Auckland Airport.

The receipt of the shares, or vesting, is at nil cost to executives and subject to remaining employed by Auckland Airport during the vesting period and board discretion. No other hurdles exist for this scheme.

A total of 35,244 share rights were granted during the six months ended 31 December 2024.

To the extent that executives leave Auckland Airport prior to vesting, the share rights are forfeited, subject to board discretion.

19. Events subsequent to balance date

On 17 February 2025, the directors of Queenstown Airport declared a fully imputed interim dividend of $7.0 million for the six months ended 31 December 2024. The group's share of the dividend is $1.7 million.

On 19 February 2025, the directors approved the payment of a fully imputed interim dividend of 6.25 cents per share amounting to $105.1 million to be paid on 4 April 2025.

Deloitte.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDERS OF AUCKLAND INTERNATIONAL AIRPORT LIMITED

Conclusion

We have reviewed the condensed consolidated interim financial statements ('interim financial statements') of Auckland International Airport Limited ('the Company') and its subsidiaries ('the Group') on pages 2 to 19 which comprise the consolidated interim statement of financial position as at 31 December 2024, and the consolidated interim income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Interim Financial Statements section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for the Group in the area of greenhouse gas inventory assurance reporting, trustee reporting and assurance reporting for airport-related regulatory disclosures, as well as non-assurance services provided to the Corporate Taxpayers Group of which the Company is a member. These services have not impaired our independence as auditor of the Company and Group. In addition to this, partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Company or any of its subsidiaries.

Directors' responsibilities for the interim financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

A review of the interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly we do not express an audit opinion on the interim financial statements.

Restriction on use

This report is made solely to the company's shareholders, as a body. Our review has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our engagement, for this report, or for the conclusions we have formed.

Deloitte Limited

Andrew Dick, Partner
for Deloitte Limited
Auckland, New Zealand
19 February 2025

Shareholder information

Reporting entity

The company was incorporated on 20 January 1988, under the Companies Act 1955, and commenced trading on 1 April 1988. The company was re-registered under the Companies Act 1993 on 6 June 1997. On 25 June 1998, the company adopted a revised constitution, approved as appropriate for a publicly listed company. Further revisions of the constitution were adopted on 21 November 2000, 18 November 2002, 23 November 2004 and 23 October 2019 to comply with NZX and ASX Listing Rule requirements.

The company was registered in Australia as a foreign company under the Corporations Law on 22 January 1999 (ARBN 085 819 156) and was granted Foreign Exempt Listing Entity status by ASX on 22 April 2016.

Stock exchange listings

The company's shares were quoted on the NZX on 28 July 1998. The company's shares were quoted on the ASX effective 1 July 2002. The company is not subject to chapters 6, 6A, 6B and 6C of the Australian Corporations Act dealing with the acquisition of shares (i.e. substantial holdings and takeovers).

The total number of voting securities on issue as at 31 December 2024 was 1,681,824,789.

Auditors

Deloitte Limited has continued to act as external auditor of the company and has undertaken a review of the interim financial statements for the six months ended 31 December 2024. The external auditor is subject to a partner rotation policy.

Credit rating

As at 31 December 2024, the S&P Global Ratings' long-term credit rating for the company was A- Stable Outlook.

Company publications

The company informs investors of the company's business and operations by issuing an annual report (with notice of meeting) and interim financial statements.

Enquiries

Shareholders with enquiries about transactions, changes of address or dividend payments should contact MUFG Corporate Markets on +64 9 375 5998. Other questions should be directed to the Company Secretary at the registered office.

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Financial calendar	Half-year	Full-year
Results announcement	February	August
Reports published	February	August
Annual meeting	-	October
Disclosure financial statements	-	November

Corporate directory

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Julia Hoare, chair
Mark Binns
Mark Cairns
Grant Devonport
Dean Hamilton
Liz Savage
Tania Simpson
Christine Spring

SENIOR MANAGEMENT

Carrie Hurihanganui
chief executive

Stewart Reynolds
chief financial officer

Melanie Dooney
chief corporate services officer

Darren Evans
chief safety and risk officer

Chloe Surridge
chief operations officer

Scott Tasker
chief customer officer

Mark Thomson
chief commercial officer

Mary-Liz Tuck
chief strategic planning officer

Richard Wilkinson
chief digital officer

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COMPANY SECRETARY

Louise Martin

AUDITORS

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Internal auditor – PwC
Share registry auditor – Grant Thornton