



2 April 2026

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January 2026 Commentary

- Group capacity increased 4.2% in January compared to the same month last year. Long Haul ASKs increased 1.6%, Domestic increased 0.8%, while Short Haul International grew 10.2%. Short Haul growth was driven by the arrival of 2 new A321 aircraft.
- Group YTD underlying RASK improved 1.7% versus the prior year.
- Short Haul YTD RASK, which includes Domestic, Tasman, and Pacific Islands, was 1.8% lower than last year. Domestic RASK was down 0.5% year on year, while Tasman and Pacific Islands RASK was up 0.1%.
- Long Haul YTD RASK was up 4.1% year-on-year.



January 2026 highlights

Group traffic summary	JANUARY			FINANCIAL YTD		
	FY26	FY25	% ^{1, 2}	2026	2025	% ^{1, 2}
Passengers carried (000)	1,219	1,239	(1.6%)	9,337	9,327	0.6%
Revenue Passenger Kilometres(m)	2,845	2,797	1.7%	20,009	19,829	1.4%
Available Seat Kilometres (m)	3,332	3,198	4.2%	23,855	23,652	1.3%
Passenger Load Factor (%)	85.4%	87.5%	(2.1 pts)	83.9%	83.8%	0.1 pts

Year-to-date RASK ³	% change in reported RASK (incl. FX)	% change in reported RASK (excl. FX)
	vs 2025	vs 2025
Group	2.9%	1.7%
Short Haul	(1.2%)	(1.8%)
Long Haul	6.3%	4.1%

¹ % change is based on numbers prior to rounding

² The percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2024 (28 days) compared with July 2025 (27 days) and June 2025 (36 days) compared with June 2026 (37 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

³ Reported RASK (unit passenger revenue per available seat kilometre) is inclusive of foreign currency impact, and underlying RASK excludes foreign currency impact.



Market announcements

(during the period 13 February 2026 to 28 February 2026)

Air NZ 2026 interim result and full year guidance

26 February 2026

Summary

- 1H 2026 Loss before taxation of \$59 million
- 1H 2026 Net loss after taxation of \$40 million
- 1H 2026 EBITDA of \$347 million
- Result largely driven by global engine maintenance delays, slower than expected recovery in domestic demand, increasing aviation system costs and a weaker NZD
- Strategic review underway to reset the business amid continuing cost escalation across the aviation system and supply chain
- No interim dividend declared, in line with the airline's Capital Management Framework
- Based on current trading conditions and assuming an average jet fuel price of US\$85 per barrel for the second half, Air New Zealand expects second-half earnings to be broadly in line with, or modestly below, the first half
- The airline will take delivery of the first two of ten new GE-powered 787s at the end of the financial year supporting widebody capacity growth of approximately 20% to 25% over the next two years
- Continued advocacy for fit-for-purpose aviation sector settings that underpin connectivity and affordability

Air New Zealand announced a loss before taxation of \$59 million for the first half of the 2026 financial year, compared with earnings before taxation of \$144 million in the prior corresponding period. The net loss after taxation was \$40 million.

This result reflects the combined impact of ongoing fleet constraints, a slower recovery in domestic demand and rising costs, including persistently high aviation system inflation. Cost pressures have been further exacerbated by a weaker New Zealand dollar. The result is slightly outside the guidance range of a loss of \$30 to \$55 million provided to the market in October 2025, primarily reflecting a \$13 million headwind from higher-than-assumed fuel prices in the second quarter.

While the airline received \$55 million in compensation from engine manufacturers for the first half, it estimates an additional \$90 million¹ of earnings could have been included within the result had the fleet operated as intended. The airline is in ongoing negotiations with engine manufacturers to improve certainty around engine return schedules and appropriate compensation.

Chair Dame Therese Walsh said "given the ongoing volatility, including continued global engine maintenance impacts and a slower recovery in domestic demand, the Board and I asked Nikhil to undertake a full strategy review when he took up the Chief Executive Officer role in October.

"As New Zealand's national airline we play an important role in supporting New Zealand, particularly as it relates to export and tourism. The strategy reset will allow us to be firmly focused

¹ This estimate was calculated based on internal modelling using operational assumptions, including capacity, passenger demand, revenue yield, disruption costs and historical performance across affected routes.



on strengthening and growing our airline to deliver long term growth and prosperity for New Zealand."

Chief Executive Officer Nikhil Ravishankar went on to say that "with the support of the Board we are undertaking a comprehensive review of all aspects of the business, with the objective of returning the airline to sustained profitability through enhanced operational performance, growth and further cost transformation initiatives.

"At the same time, a number of performance and product improvements are already underway, including improvements in domestic punctuality and reliability, and a decision to upgrade the interiors of our existing 777 fleet, so our widebody product is consistent, modern and mission ready.

"While we are disappointed that the engine availability issues have taken longer than anticipated to resolve, we are pleased with recent progress and now expect a total of four grounded Airbus neo and Boeing 787 aircraft to return to service throughout the 2026 calendar year. We will also take delivery of two of ten new 787 aircraft later in the financial year, providing widebody capacity growth of around 20 percent to 25 percent over the next two years.

"I want to thank our customers for their loyalty and Air New Zealanders for their ongoing professionalism and care for customers and each other as the tough operating environment persists".

1H 2026 Financial performance

Passenger revenue improved four percent to \$3 billion, supported by additional capacity across the Tasman and Pacific Islands, and a higher mix of premium seats on long-haul international routes. Network capacity overall was broadly flat, with up to eight aircraft grounded at times due to global engine maintenance delays.

The airline experienced a slower than expected recovery in Domestic demand however international performance was supported by continued strong offshore bookings, particularly in the premium cabins. Demand for outbound long-haul travel remained subdued.

Fuel costs were \$774 million, an increase of 4 percent. Singapore jet fuel averaged around US\$88 per barrel compared to US\$91 per barrel in the prior period. The lower fuel price was more than offset by a weaker New Zealand dollar, an increase in the cost of the airline's CORSIA obligations and the operation of less fuel-efficient aircraft due to global engine constraints.

Non-fuel operating cost inflation of approximately \$75 million was driven primarily by higher mandated domestic passenger levies, engineering and maintenance costs, and airport landing charges. The airline's concern is not only about the current level of these costs, but the future trajectory and potential for further increases over time, which would place additional pressure on the business, and the sustainability of regional connectivity.

The airline continues to drive its Kia Mau transformation programme and delivered around \$45 million in incremental benefits in the half, with around \$145 million in cumulative benefits since the programme's inception last year. This largely reflects the realisation and ramp-up of initiatives previously outlined at the 2025 annual results. While meaningful, these benefits have not been sufficient to offset the full extent of increases across the cost base, which will be addressed as part of the ongoing strategic review.



Dividend

Based on the result announced today, the Board has not declared an interim dividend, consistent with the airline's Capital Management Framework.

2H26 Outlook

While capacity is expected to increase modestly in the second half, as aircraft return to service and new aircraft enter the fleet, the airline cautions that improvements in aircraft availability are unlikely to translate immediately into earnings uplift. This is because widebody capacity cannot be operationalised into the schedule and sold at short notice. The primary constraint is uncertainty in the timing of aircraft and engine returns, which limits the ability to plan and sell additional flying with confidence. Disruption-related costs and inefficiencies also take time to unwind, including the return of leased aircraft and engines.

Aviation system and supply chain cost pressures are expected to continue, reinforcing the importance of fit-for-purpose aviation sector settings that support sustainable connectivity and affordability for customers over time.

Guidance

Based on current trading conditions and assuming an average jet fuel price of US\$85 per barrel for the second half, Air New Zealand expects second-half earnings to be broadly in line with, or modestly below, the first half. The outlook remains subject to material uncertainty, including engine return schedules, the timing and quantum of compensation, and continued volatility across key input costs and demand conditions.

Compensation arrangements in respect of certain engines are yet to be agreed for the second half. Air New Zealand is in active negotiations with the relevant manufacturers. While the airline is working hard towards a fair outcome, the timing and quantum of further compensation remains uncertain, and this could materially impact full-year earnings.