

Tear Sheet:

# Wellington International Airport Ltd.

May 10, 2026

*This report does not constitute a rating action.*

**Weaker earnings in 2026:** As we expected, aircraft availability for Air New Zealand, Wellington airport's largest customer, was lower in the fiscal year ended March 31, 2026. This reduced total passengers by 5% to about 5 million. The airport's cost savings will keep EBITDA and funds from operations (FFO) to debt in line with our forecasts.

**Airline capacity cuts to limit 2027 earnings growth:** Air New Zealand and the Qantas group have reduced seat capacity by about 5% until July 2026 due to fuel supply uncertainty. We have revised our forecast of total passengers at the airport in fiscal 2027 to slightly below 5 million.

As a result, we expect Wellington airport to maintain strong cost controls, and limit capital spending to about A\$100 million. This should keep the FFO to debt at about 9%, our downside threshold. Liquidity remains adequate with bank facilities secured to repay the NZ\$100 million notes maturing in August 2026.

**Dividend flexibility may be required to protect financial metrics:** Protracted weakness in the travel market due to high fuel prices or airfares could result in lower earnings and cash flows relative to our forecast for fiscals 2027 and 2028. In such an event, capex control alone may not be sufficient to preserve the financial metrics.

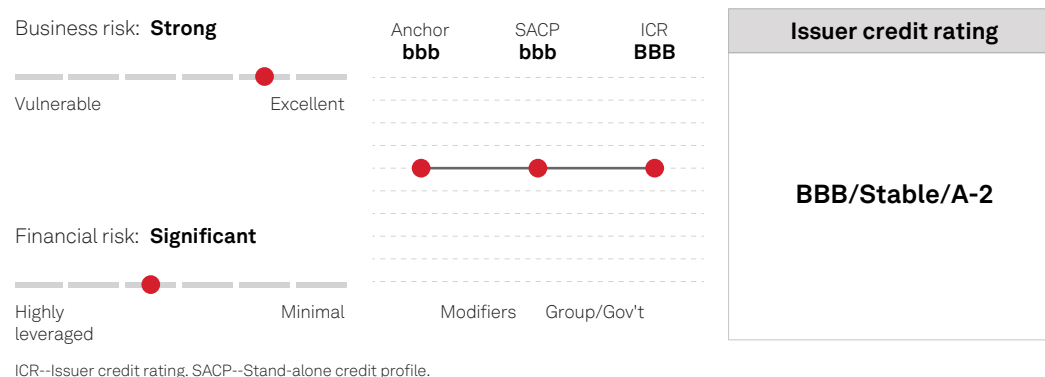
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## Ratings Score Snapshot



## Recent Research

[Pain Looms For Australia And New Zealand Infrastructure Sector](#), April 20, 2026

## Company Description

Wellington International Airport Ltd. (WIAL) owns and operates Wellington airport, the third-largest airport in New Zealand. The airport benefits from its location, which services New Zealand's capital city. Passenger numbers were 5.3 million in fiscal 2025, well below 6.4 million in fiscal 2019.

The airport is 34% owned by Wellington City Council (AA-/Negative/A-1+), with the remainder held by NZ Airports Ltd., a wholly owned subsidiary of New Zealand-based infrastructure fund Infratil Ltd.

## Outlook

The stable outlook on WIAL primarily reflects our expectation of a continued recovery in passenger traffic and agreed higher tariffs. We expect a full recovery in domestic and international passenger traffic to pre-pandemic levels by 2028 and 2027, respectively. We estimate WIAL will maintain a ratio of FFO to debt of 9%-11% over the next three years.

### Downside scenario

We could lower the rating if WIAL's ratio of FFO to debt falls below 9% on a sustained basis. This could happen if:

- Management undertakes higher capex than our current expectation.
- Shareholder returns exceed our expectation; or
- The pace of recovery in passenger traffic is materially slower than we anticipate.

### Upside scenario

We view an upgrade of WIAL as unlikely, given the current trajectory in financial metrics, based on our forecasts. That said, we could raise the ratings if the airport can maintain a ratio of FFO to debt with some buffer at above 13% on a sustained basis, supported by deleveraging and financial policies that favor a higher rating.

## Key Metrics

### Wellington International Airport Ltd.--Forecast summary

Period ending	Mar-31-2019	Mar-31-2024	Mar-31-2025	Mar-31-2026	Mar-31-2027	Mar-31-2028
(Mil. NZ\$)	2019a	2024a	2025a	2026e	2027f	2028f
New Zealand GDP (%) CY	2.2	-0.3	0.5	2.0	2.0	2.2
New Zealand CPI (%) CY	1.6	2.9	2.8	2.9	2.4	2.3
<b>Operational stats</b>						
Domestic passengers (mil.)	5.5	4.7	4.5	4.2	4.0	4.5
International passengers (mil.)	0.9	0.7	0.8	0.8	0.9	1.0
<b>Adjusted financials</b>						
EBITDA	102	107	128	133	140	167

**Wellington International Airport Ltd.--Forecast summary**

Funds from operations (FFO)	67	65	77	70	79	91
Capital expenditure (capex)	72	68	117	111	100	127
Dividends	37	60	35	51	51	54
Debt	459	629	702	797	868	958

**Adjusted ratios**

Debt/EBITDA (x)	10.4	5.9	5.5	6.0	6.2	5.7
FFO/debt (%)	5.1	10.3	11.0	8.7	9.1	9.5
FFO cash interest coverage (x)	2.1	2.9	3.2	2.7	2.8	2.7
EBITDA margin (%)	58.3	67.3	69.0	69.9	69.3	71.4

We have included 2019a metrics for comparison given that it was unaffected by the COVID-19 pandemic. Forecast figures above represent the mid-point of an estimated range. All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. NZ\$--New Zealand dollar. CY--Calendar year.

## Financial Summary

**Wellington International Airport Ltd.--Financial Summary**

Period ending	Mar-31-2020	Mar-31-2021	Mar-31-2022	Mar-31-2023	Mar-31-2024	Mar-31-2025
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Revenues	146	69	96	140	159	185
EBITDA	103	35	56	90	107	128
Funds from operations (FFO)	60	(8)	29	63	65	77
Interest expense	27	28	27	30	36	39
Cash interest paid	25	28	26	27	34	35
Operating cash flow (OCF)	62	(9)	29	54	66	86
Capital expenditure	81	35	18	42	68	117
Free operating cash flow (FOCF)	(19)	(44)	12	12	(2)	(32)
Discretionary cash flow (DCF)	(59)	(80)	12	12	(62)	(67)
Cash and short-term investments	16	81	42	127	92	24
Gross available cash	16	81	42	127	92	24
Debt	519	596	577	566	629	702
Common equity	641	673	751	878	863	900
<b>Adjusted ratios</b>						
EBITDA margin (%)	70.3	51.3	58.3	64.0	67.3	69.0
Return on capital (%)	5.8	1.3	2.5	4.3	5.2	6.6
EBITDA interest coverage (x)	3.8	1.2	2.1	3.0	3.0	3.3
FFO cash interest coverage (x)	3.4	0.7	2.1	3.3	2.9	3.2
Debt/EBITDA (x)	5.0	16.9	10.4	6.3	5.9	5.5
FFO/debt (%)	11.7	(1.3)	5.1	11.1	10.3	11.0
OCF/debt (%)	11.9	(1.5)	5.1	9.6	10.5	12.2
FOCF/debt (%)	(3.6)	(7.4)	2.0	2.1	(0.2)	(4.5)
DCF/debt (%)	(11.5)	(13.3)	2.0	2.1	(9.8)	(9.6)

## Peer Comparison

**Wellington International Airport Ltd.**

**Wellington International Airport Ltd.--Peer Comparisons**

	<b>Wellington International Airport Ltd.</b>	<b>Brisbane Airport Corp. Pty Ltd.</b>	<b>Adelaide Airport Ltd.</b>	<b>Christchurch International Airport Ltd.</b>	<b>Auckland International Airport Ltd.</b>
Foreign currency issuer credit rating	BBB/Stable/A-2	BBB/Stable/NR	BBB/Stable/--	A-/Stable/--	A-/Stable/A-2
Local currency issuer credit rating	BBB/Stable/A-2	BBB/Stable/NR	BBB/Stable/--	A-/Stable/--	A-/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2025-03-31	2025-06-30	2025-06-30	2025-06-30	2025-06-30
Mil.	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Revenue	185	1,168	343	245	973
EBITDA	128	839	208	148	676
Funds from operations (FFO)	77	431	117	101	432
Interest	39	251	53	29	138
Cash interest paid	35	270	53	30	139
Operating cash flow (OCF)	86	417	132	108	414
Capital expenditure	117	764	225	80	1,044
Free operating cash flow (FOCF)	(32)	(346)	(93)	28	(630)
Discretionary cash flow (DCF)	(67)	(708)	(139)	(12)	(783)
Cash and short-term investments	24	69	111	3	568
Gross available cash	24	69	111	3	568
Debt	702	4,245	1,103	570	1,891
Equity	900	2,572	556	1,614	10,473
EBITDA margin (%)	69.0	71.9	60.6	60.5	69.4
Return on capital (%)	6.6	10.6	10.4	4.9	4.3
EBITDA interest coverage (x)	3.3	3.3	3.9	5.0	4.9
FFO cash interest coverage (x)	3.2	2.6	3.2	4.3	4.1
Debt/EBITDA (x)	5.5	5.1	5.3	3.8	2.8
FFO/debt (%)	11.0	10.2	10.6	17.8	22.8
OCF/debt (%)	12.2	9.8	12.0	19.0	21.9
FOCF/debt (%)	(4.5)	(8.2)	(8.4)	4.9	(33.3)
DCF/debt (%)	(9.6)	(16.7)	(12.6)	(2.1)	(41.4)

**Rating Component Scores**

<b>Foreign currency issuer credit rating</b>	<b>BBB/Stable/A-2</b>
<b>Local currency issuer credit rating</b>	<b>BBB/Stable/A-2</b>
<b>Business risk</b>	<b>Strong</b>
Country risk	Low
Industry risk	Low
Competitive position	Strong
<b>Financial risk</b>	<b>Significant</b>
Cash flow/leverage	Significant
<b>Anchor</b>	<b>bbb</b>
<b>Modifiers</b>	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
<b>Stand-alone credit profile</b>	<b>bbb</b>

## Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10 2021
- [General Criteria: Group Rating Methodology](#), July 1 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7 2017
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16 2011

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