

Airways Corporation of New Zealand Limited

Annual results announcement – 30 September 2020

	12 months ended 30 June 2020	12 months ended 30 June 2019	% change
Revenue from operating activities	\$NZ 209.2m	\$NZ 229.3m	(9%)
Loss after tax	\$NZ(31.3)m	\$NZ 23.6m	(233%)
Service improvement (Capital) projects	\$NZ 38.6m	\$NZ 46.4m	(17%)
Interim dividend (Oct)	\$NZ 4.0m	\$NZ 4.0m	0%
Interim dividend (Feb)	\$NZ 4.0m	\$NZ 4.0m	0%
Final dividend (June)	-	\$NZ 4.0m	-
Total dividend	\$NZ 8.0m	\$NZ 12.0m	(33%)
Final dividend payment date	No final dividend paid		

Comments:

Covid-19 is the single largest shock to aviation in its history, and managing both the health and economic outcomes has presented an extraordinary global challenge. Airways has responded to this challenge by prioritising the health and wellbeing of our staff while taking prudent measures to manage our costs.

Airways delivered on its core purpose of ensuring the safety of New Zealand skies, while advancing our strategy to create a progressive airspace environment for the future. Airways maintains its strong safety record with no near collision events in controlled airspace and no serious harm injuries involving our people.

Due to the impact of the pandemic on the aviation industry, Airways Group recorded a loss after tax of (\$31.3) million for the year. This was 222% lower than budget (\$25.7 million), 233% down on the prior year, and includes a \$48.7 million impairment of the asset base.

Despite the crisis, Airways International Limited (AIL) had its best ever year delivering a net profit after tax of \$9.1 million, 14% ahead of the prior year's \$8.0 million result. Over the year, AIL delivered innovative services and products to 65 customers around the world.

The impact of travel restrictions significantly reduced air travel and core revenue streams. In addition to operating cost reductions, capital expenditure has also been reduced across the business. Investment in capital projects was reduced from a budgeted spend of \$75.6 million down to \$38.6 million. Only projects that were identified as priority or critical to maintaining safe services were progressed.