making your world possible

Airways Corporation of New Zealand Limited

Annual results announcement – 30 September 2021

	12 months ended 30 June 2021	12 months ended 30 June 2020	% change
Revenue from operating activities	$NZ 148.3m	$NZ 209.4m	(29%)
Profit / (Loss) after tax	$NZ5.4m	$NZ(31.3)m	117%
Service improvement (Capital) projects	$NZ 19.0m	$NZ 38.6m	(51%)
Interim dividend (Oct)	-	$NZ 4.0m	(100%)
Interim dividend (Feb)	-	$NZ 4.0m	(100%)
Final dividend (June)	-	-	-
Total dividend	$NZ 0.0m	$NZ 8.0m	(100%)
Final dividend payment date	No dividends were paid		

Comments:

Following an unprecedented year, Airways' focus has been on supporting the recovery of the aviation industry in the wake of the COVID-19 pandemic.

Throughout the COVID-19 pandemic we have placed extra emphasis on the health and wellbeing of our people and on ensuring the safe continuity of Airways' services.

In the year to 30 June 2021, we safely facilitated approximately 426,775 flights through the 30 million square kilometres of airspace we control with no operational safety occurrences and no serious harm injuries.

The financial performance of the Airways Group reflects the challenging aviation environment. The financial impact of COVID-19 has been profound and this year Airways is reporting an underlying loss of $29.6 million, before the net impact of impairment reversals. Based on the forward projections, the asset impairment taken last year of $48.7 million has reversed, resulting in a net profit after tax of $5.4 million.

Airways International Limited (AIL) delivered a net profit after tax of $5.2 million, exceeding budget by 49%. However this is a 43% decrease on the previous year and the environment remains challenging. AIL pivoted quickly when the COVID-19 pandemic hit and realigned its sales activities towards digitally-focussed services, created impressive virtual learning environments and put measures in place to allow for remote project delivery. As a result, AIL's activities have been less impacted by COVID-19.

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 to $19.0 million, 51% lower than FY20. Only projects that were identified as priority or critical to maintaining safe services were progressed.