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RESULTS PRESENTATION

FOR THE YEAR ENDED 31 MARCH

2022

AIRPORTS COMPANY
SOUTH AFRICA

Run Airports, **Develop** Airports and **Grow** our Footprint

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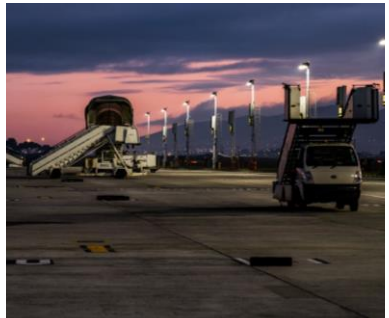
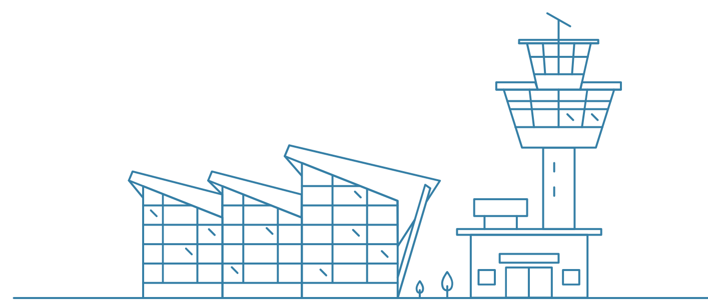
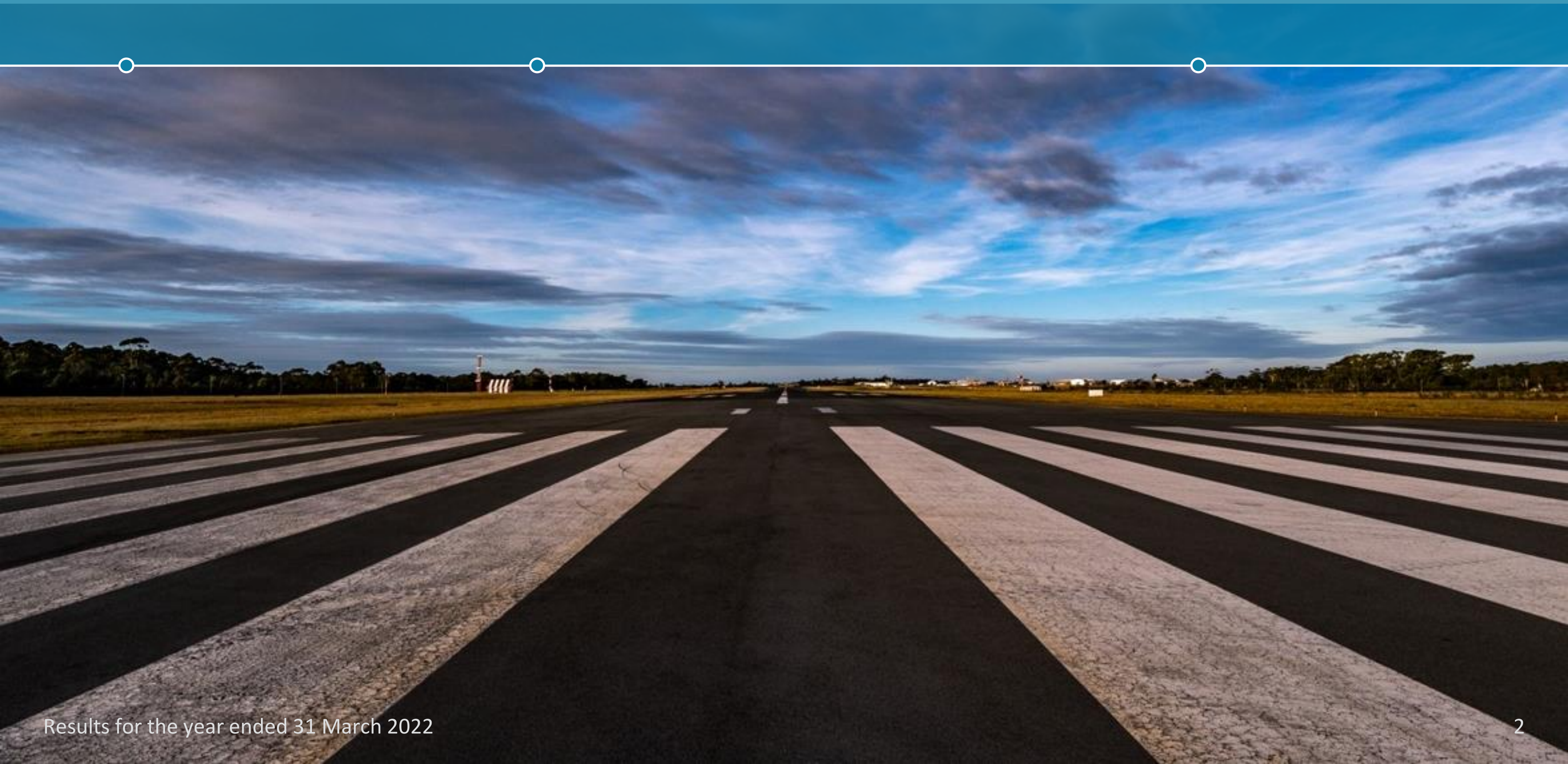




01 INTRODUCTION



INTRODUCTION

AIRPORTS COMPANY
SOUTH AFRICA

ACSA has continued to demonstrate remarkable resilience and adaptability in the face of a slow recovery

- Covid-19 pandemic continued to be the most significant challenge faced by ACSA
- Strategic, financial and operational responses that were put into place enabled us to sustain the business through this protracted period:

STRATEGY

- Continued to implement the Recover & Sustain Strategy focusing on Pillar 1 – Run our Airport
- Finalised the Growth Strategy with focus on Passenger Mobilisation, Aerotropolis and Airport City, Cargo, Global, Ground Handling, Jet Fuel and Training Academy Strategic Initiatives

FINANCIAL

- Continued implementation of the revised financial plan
- Focused on maintaining our liquidity
- Offered rental reprieves and support to our commercial partners

OPERATING MODEL

- Implemented the new Governance Framework and Operating Model (GFOM)
- Implemented Cluster Model of Airports creating regional focus and network efficiency
- Operational efficiency at each airport continues to be our primary focus

- The road to recovery will be long however global traffic trends are on upward trajectory and showing promising signs of recovery.

02 KEY HIGHLIGHTS

KEY HIGHLIGHTS

AIRPORTS COMPANY SOUTH AFRICA

AIRPORT HEALTH ACCREDITATION MANAGEMENT

ACI Airport Health Accreditation programme provides airports with an assessment of how aligned their health measures are with the stipulated ACI protocols

ACHIEVEMENT

All nine ACSA airports are ACI accredited

EXCELLENCE IN HUMAN RESOURCES MANAGEMENT

ACI Africa HR Excellence Awards recognize excellence in diversity, equality, competency building and sustainability in human resources management

ACHIEVEMENT

ACSA was placed first in the awards programme for 2021

WORLD'S TOP 100 AIRPORTS

Skytrax World Airports Awards based on a customer satisfaction survey conducted in global 500 airports

ACHIEVEMENT

Four or our airports were placed first in their categories in 2021

- **Best Airport in Africa:**
  CTIA (1) KSIA (2) ORTIA (3)
- **Best Regional Airport in Africa:**
  KSIA (1)
- **Best Airport Staff in Africa:**
  CTIA (1)
- **Cleanest Airport in Africa (New Category):**
  CTIA (1)

ACHIEVEMENT

- **2 to 5 mil PAX a year Category**

Two of our airports were placed in the Top 10 for this category

CTIA (3), KSIA (6)

PEOPLE'S FAVOURITE

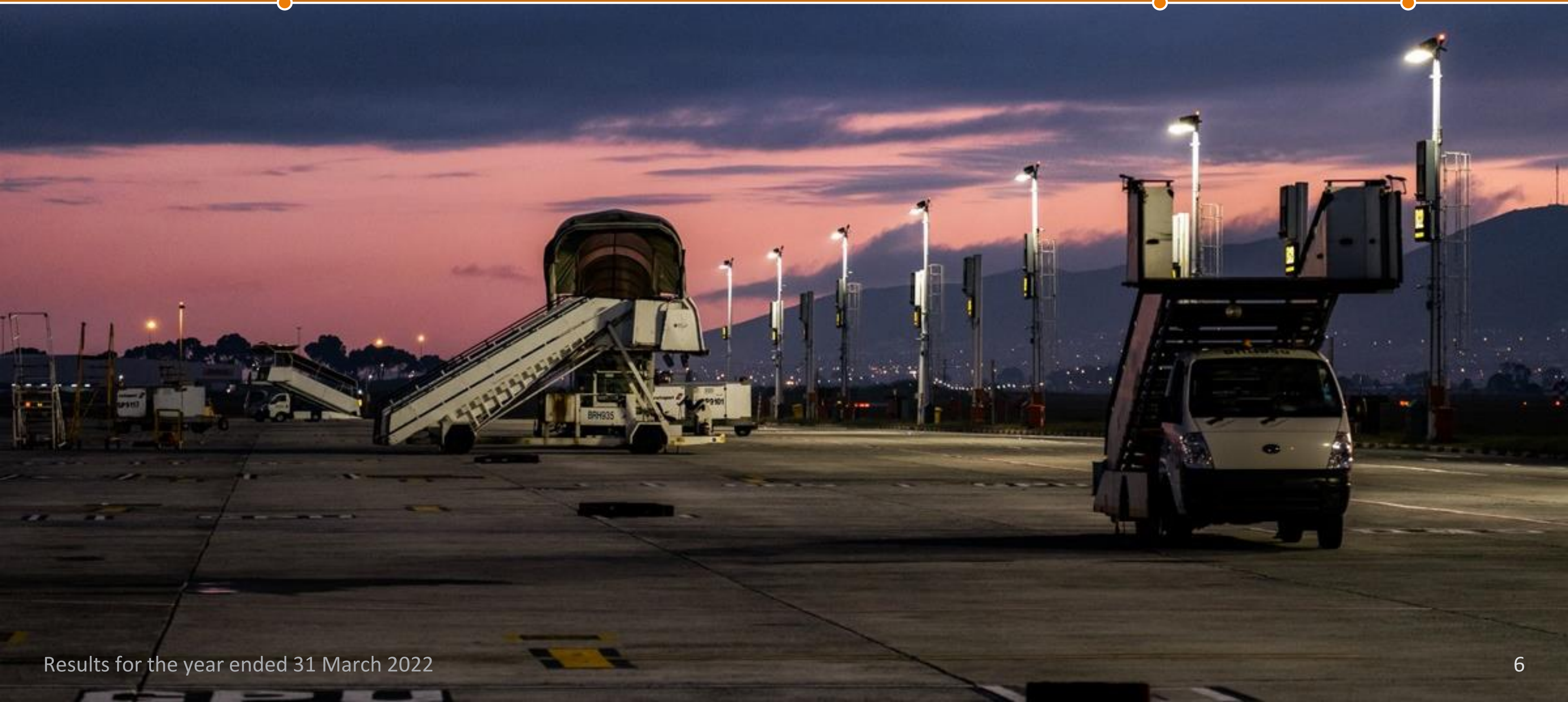
City Press Reader's Choice Awards are made based on an online reader survey conducted by *City Press*

ACHIEVEMENT

Three of our airports were selected as their favourite airports by *City Press* readers

- O.R. Tambo International (Johannesburg)
- King Shaka International (Durban)
- Cape Town International

03 EXTERNAL ENVIRONMENT



MACRO-ECONOMIC CONDITIONS

AIRPORTS COMPANY SOUTH AFRICA

The industry is not immune to inflationary pressures

Global economy

- Tensions between **Russia and Ukraine** continue to place pressure on markets as energy prices continue to soar, surpassing 2014 levels
- **Jet fuel/oil is the largest cost item for airlines**. Most airlines will be confronted by a cost blowout in the magnitude of 10% - 20%
- Impact could **delay the rate at which airlines** restore pre-Covid-19 capacity
- **Increased cost of living** could also undermine consumer demand for air travel

Domestic economy

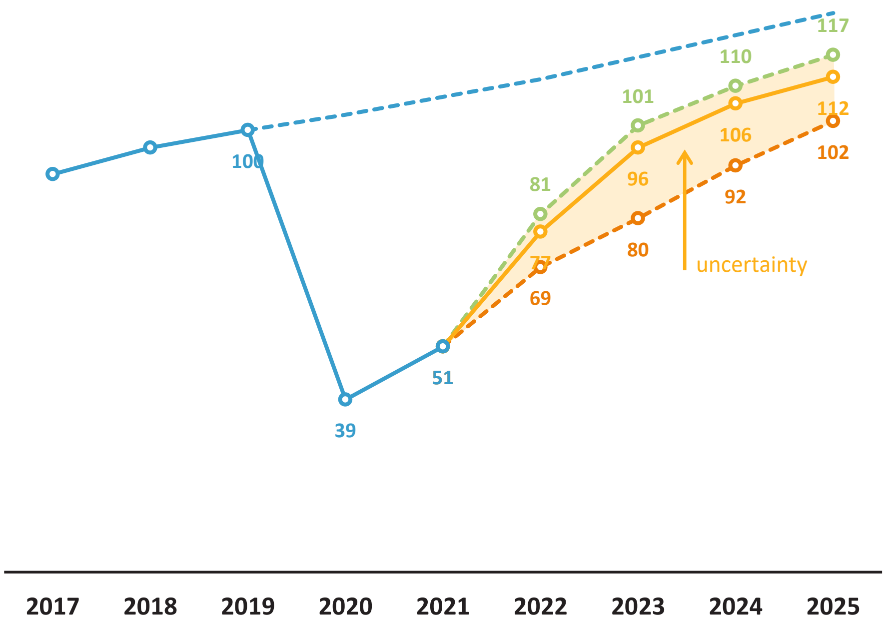
- The intensity and duration of **the ongoing loadshedding** is expected to slow down economic growth
- South African Reserve Bank ("SARB") estimates South Africa's **GDP at 2.0% for 2022**
- A further **worsening of domestic inflation** is expected to slow South African households' real disposable income
- Negative **impact on travel and tourism** expenditure due to economic conditions

GLOBAL AVIATION INDUSTRY OVERVIEW

AIRPORTS COMPANY SOUTH AFRICA

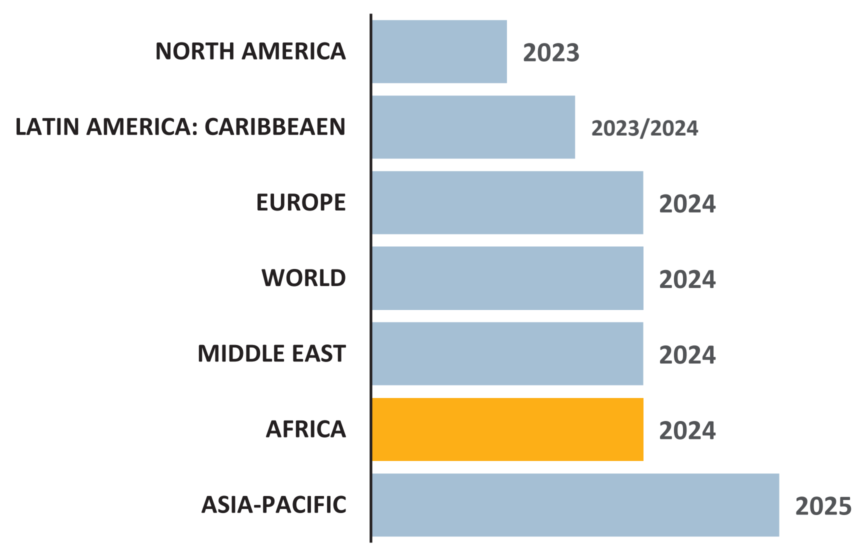
Global air traffic recovery is still non-linear but showing **positive trends** with demand expected to continue into 2022

- Optimistic outlook for recovery with signs indicating that 2024/25 recovery to pre-pandemic levels is well underway
- Global uptake of Covid-19 vaccinations enhancing travel confidence and travel demand
- Africa is anticipated to reach close to 72% of pre-pandemic passenger traffic levels by end of 2022
- Locally, recovery is expected to be led by domestic travel



Source: ACI World 2022

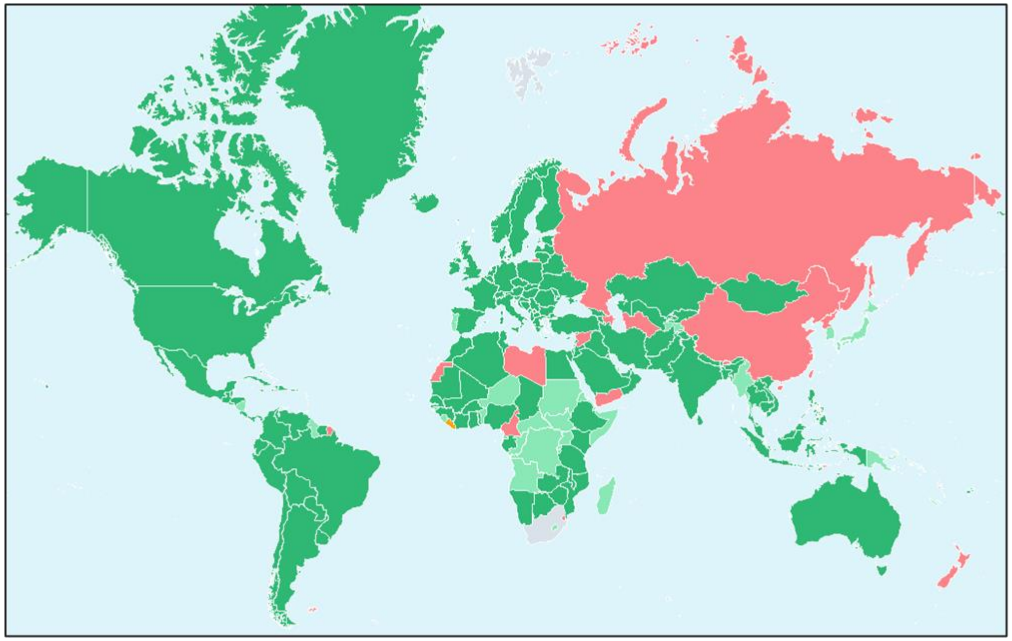
Expected timing of full-year recovery to 2019 levels by region



EASING OF TRAVEL RESTRICTIONS

AIRPORTS COMPANY
SOUTH AFRICA

Border restrictions remained one of the leading challenges for international travel in FY2021/22



OPEN **151** countries

Open for travel. Covid-19 testing / quarantine not required

TEST & TRAVEL **41** countries

Open for travel with required Covid-19 testing

TEST & QUARANTINE **5** countries

Open for travel with required Covid-19 testing and quarantine upon arrival

CLOSED **30** countries

Only returning citizens or people in special circumstances may enter

Source: KAYAK, March 2022

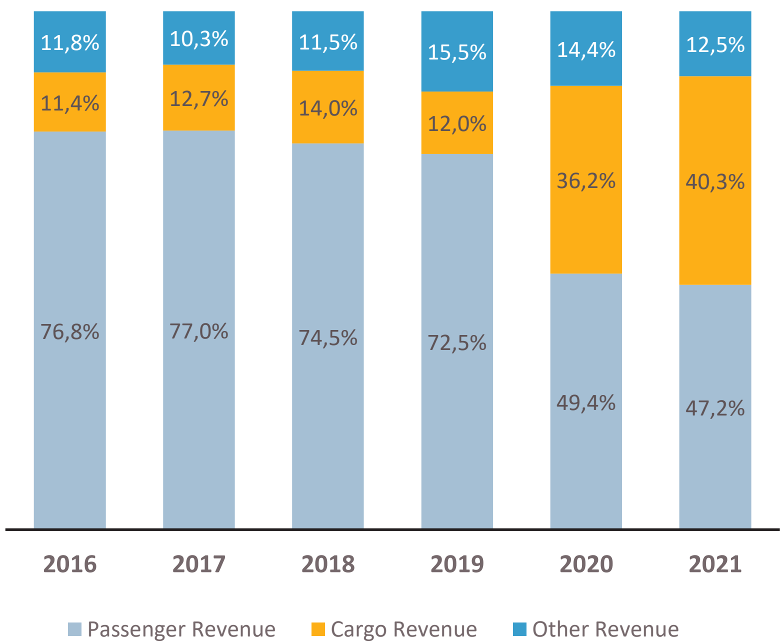
- Many countries have re-opened their borders for international travel and have moved **from “closed” to international travel to “open with restrictions”** under pre-travel requirements for testing and vaccination
- **Asia-Pacific region** however remains closed to international travel for period under review
- Markets like China, Japan, which make up a significant share of global traffic under “normal’ circumstances, remain restrictive – this is due to (1) the geo-political tensions **(Russia/Ukraine conflict)** and (2), the spread of the **Covid-19 virus** in Asia up to March 2022

IMPORTANCE OF CARGO TO SUSTAINABILITY

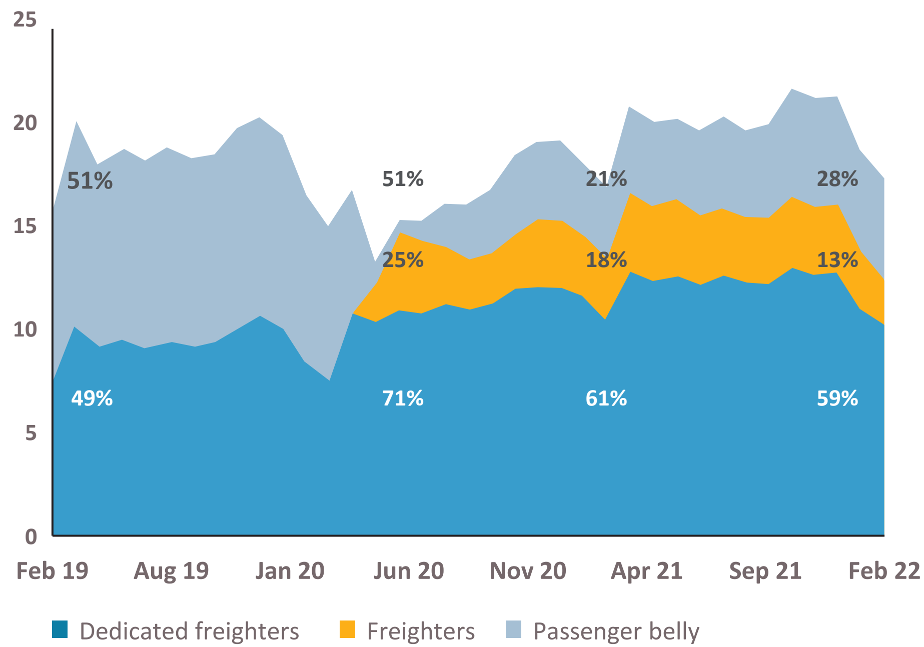
The Covid-19 pandemic has highlighted the importance of Cargo to the aviation industry

- Historically, cargo was evenly divided between **aircraft belly and dedicated freighters**. Post Covid-19, a higher percentage of cargo is transported via dedicated freighters.
- The airline revenue mix has also been affected – **airlines generate higher revenues from cargo** than pre-2019

Percentage Source of Airline Revenue



Carriage of International Air Cargo (million CTK)



Source: IATA Economics, Global Outlook for Air Transport Times of Turbulence & IATA Monthly statistics

04 RECOVER & SUSTAIN STRATEGY

RECOVER AND SUSTAIN STRATEGY

Our strategy will be implemented over **three timeframes, now – 2025, 2026 – 2030 and beyond 2030** and is centred around three business pillars, **run airports, develop airports and grow footprint** and to create value over the short-, medium- and long- term and is outlined as follows:

TIMEFRAME #1 - NOW – 2025

- Extend and defend core businesses
- Explore emerging businesses that could transform the company
- Minimal Capex (Replace and Refurbish)

RUN AIRPORTS

Run our airports efficiently, optimally and innovatively

Restructuring, productivity enhancement and cost reduction initiatives will help maintain healthy performance

DEVELOP AIRPORTS

Planning and building partnerships

GROW FOOTPRINT

Groundwork, research and planning

TIMEFRAME #2 - 2026 – 2030

- Build emerging businesses, to drive revenue growth and contribute to economic growth, to ensure company's longer-term future
- More Investment Partnerships (Capacity Focus)

RUN AIRPORTS

Run our airports efficiently, optimally and innovatively

DEVELOP AIRPORTS

Optimise assets and plan for new capacity and growth opportunities

- Implement growth initiatives to build new revenue streams
- Add additional capacity to support growth initiatives and/or traffic growth

GROW FOOTPRINT

Seek growth opportunities in the continent and world

Implement growth opportunities to ensure the company's long-term growth

TIMEFRAME #3 - Beyond 2030

- Operate the new ACSA with a redirected focus and growth trajectory
- Pronounced Growth

RUN AIRPORTS

Run our airports efficiently, optimally and innovatively

DEVELOP AIRPORTS

Optimise assets and plan for new capacity and growth opportunities

GROW FOOTPRINT

Seek growth opportunities in the continent and world

AIRPORT OPERATING MODEL

CLUSTER 1

O.R. Tambo International Airport
Bram Fischer International Airport

CLUSTER 2

Cape Town International Airport
George Airport
Kimberley Airport
Upington Airport

CLUSTER 3

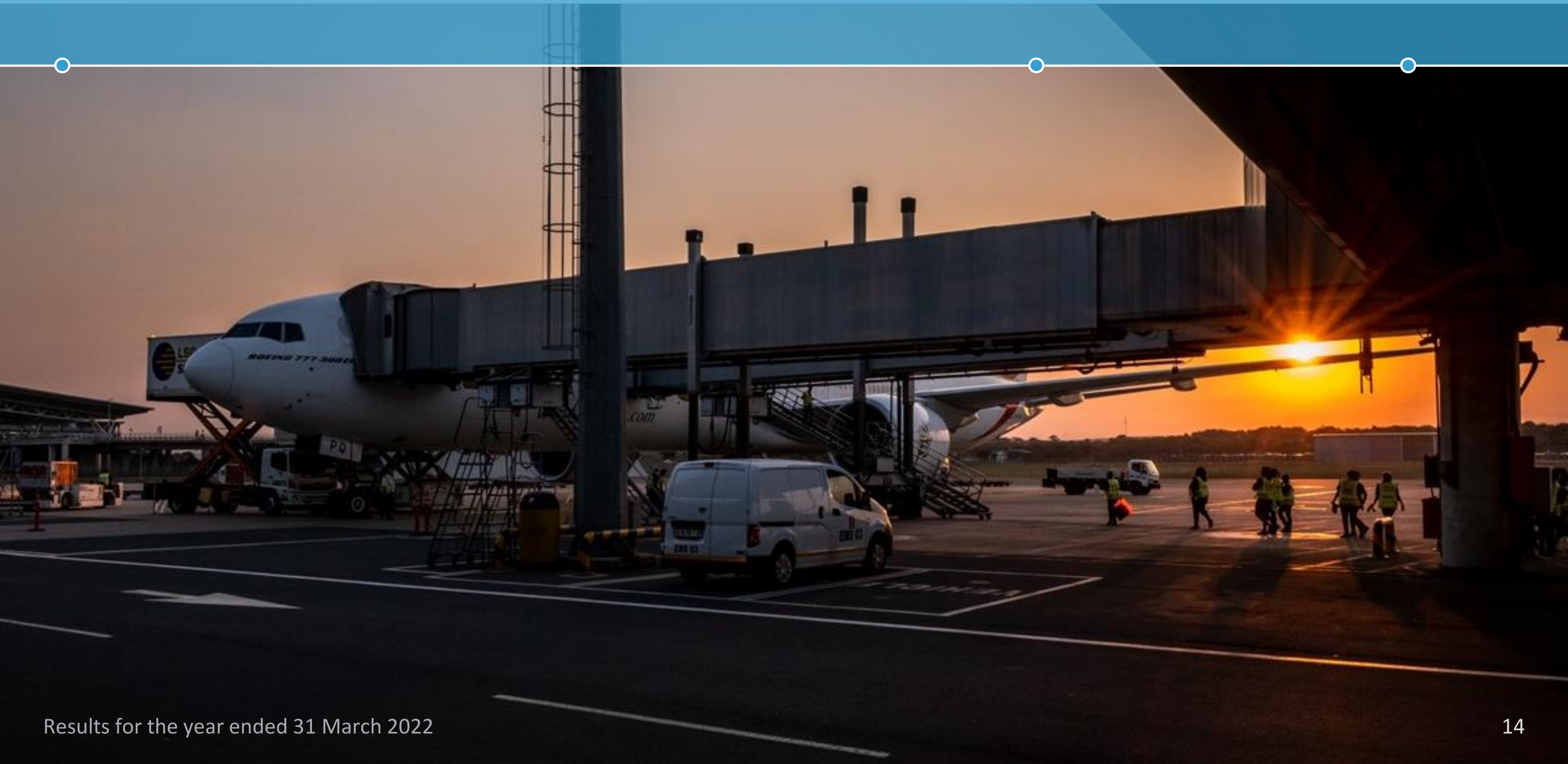
King Shaka International Airport
Chief Dawid Stuurman (Port Elizabeth) Airport
King Phalo (East London) Airport

Cluster Outcomes:

- Regional Economic Integration
- Cross subsidization
- Skills rationalisation
- Feeder optimisation - Hub and spoke

05

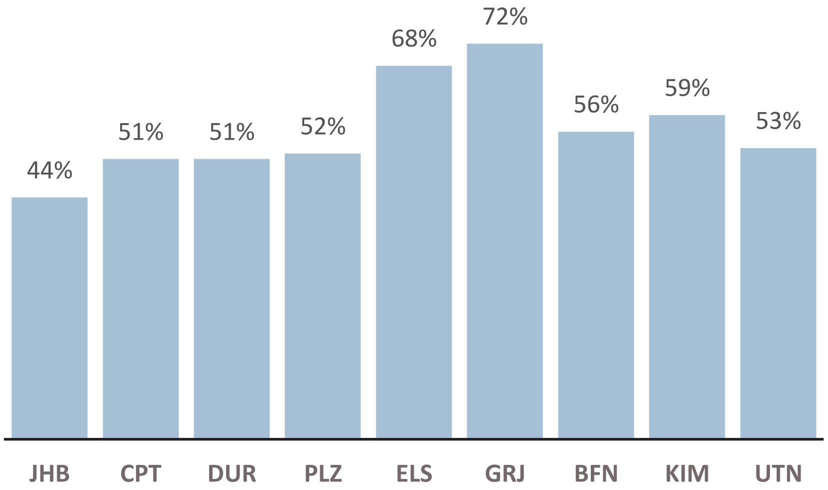
OPERATING ENVIRONMENT



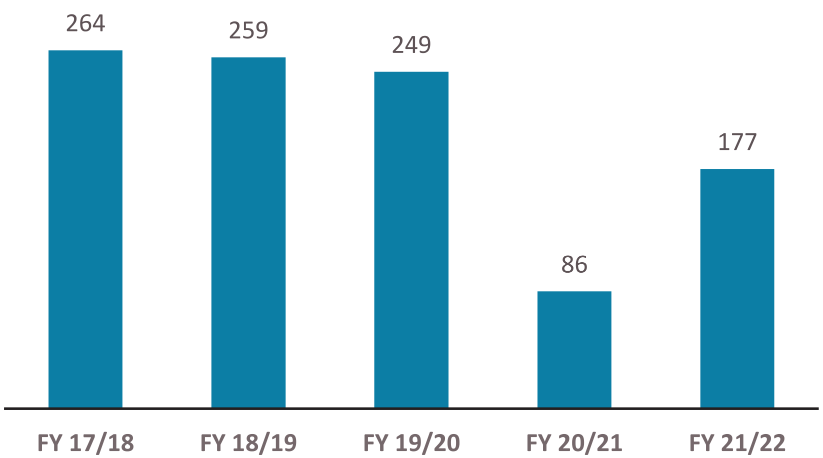
TRAFFIC RECOVERY

- ACSA network recovered to **49% of its pre-COVID passenger throughput** by year-end
- Recovery in aircraft movements was 71%
- **Domestic travel accounted for 81%** of passenger traffic (70% pre-COVID)
- Recovery of **international segment has been slower** due to travel restrictions during the reporting period
- Recent liquidation of **Comair** will have negative impact on recovery
- **Reduction in fleet capacity** continues to be a challenge

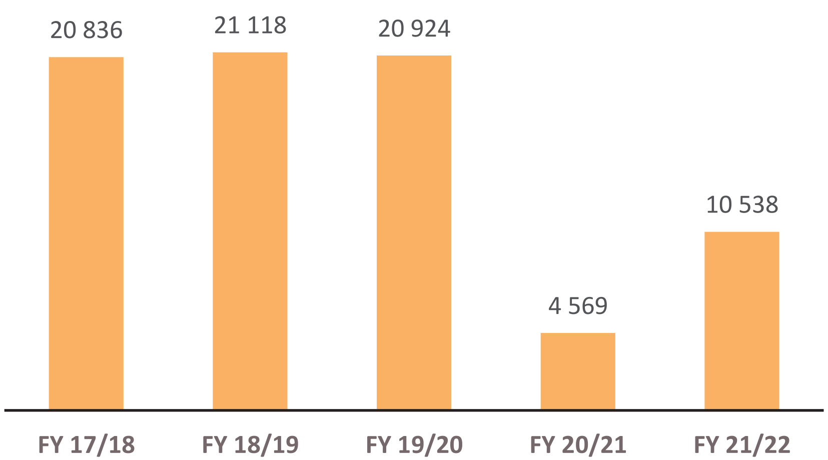
PASSENGER RECOVERY BY AIRPORT



AIR TRAFFIC MOVEMENTS (‘000)



DEPARTING PASSENGERS (‘000)



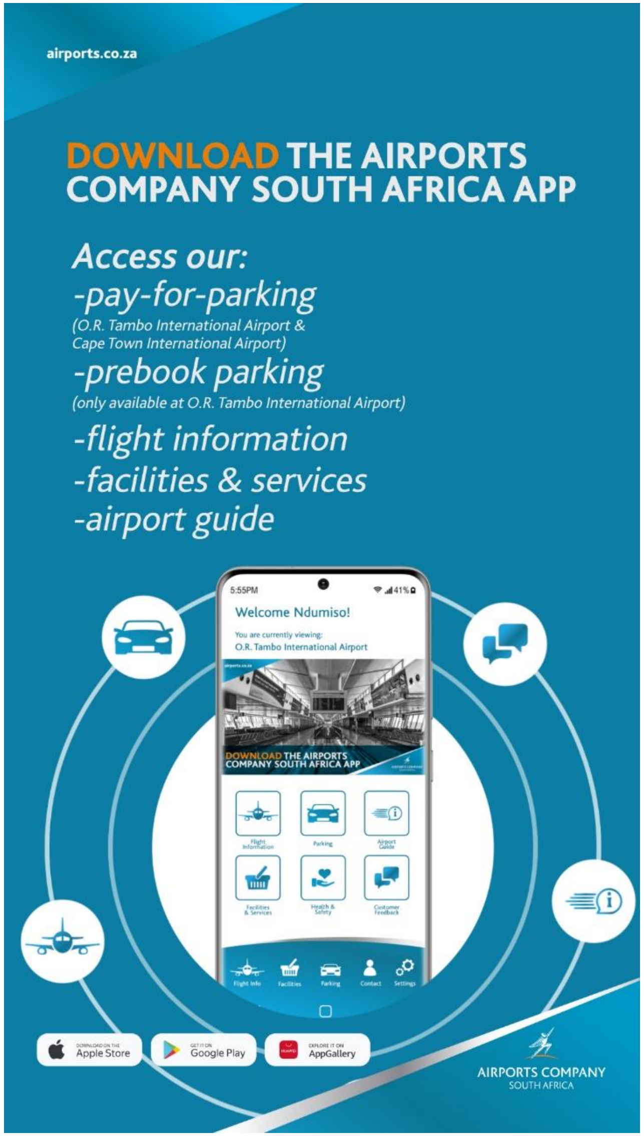
BUSINESS ENABLEMENT

Information Technology

- Key objective of our IT strategy is to adopt and leverage appropriate technology to enhance the customer experience and operational efficiency while protecting our systems and information.
- Some of the projects introduced during the past two periods include:
    - A **biometrics-driven automated border control system** at CTIA
    - The **ACSA mobile application**
    - An **upgraded Enterprise Resource Planning and Queue Management System**

Training Academy

- ACSA Training Academy designated and **accredited ACI and ICAO Academy** for South of Equator Africa. Process of transforming academy into an industry-wide African Regional aviation training centre of excellence.
- Academy will be a stand-alone entity in the next year - leverage our human capital, institutional knowledge and experience to offer tailored programmes for both internal and external clients.
- Monetisation of ACSA strategies, programmes and operational systems through other Domestic and Continental Airports, ACI Africa and ACI World



PERFORMANCE OVERVIEW

AIRPORTS COMPANY
SOUTH AFRICA

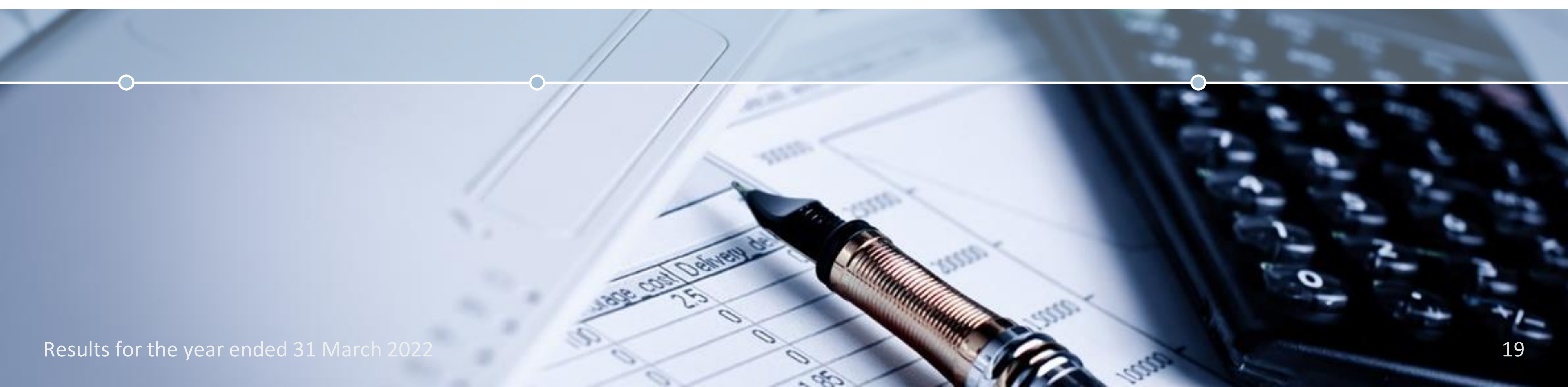
* OUR BUSINESS: Strategic objectives and KPIs		Metric	FY2022 Actual	FY2022 Target	Target achieved
Financial sustainability	OPEX allocation	R million	**R3 173 million**	R3 807 million	🟢
	CAPEX allocation	R million	**R546 million**	R1 000 million	🟢
Diversify the business portfolio	Non-aeronautical revenue	R million	**R2 180 million**	R1 987 million	🟢
Increase reputation	Stakeholder Management Plan	%	**93%**	80%	🟢
	Passenger satisfaction	Rating from 1 (poor) to 5 (excellent)	**3.94**	3.6	🟢
	ACI Airport Health Accreditation	Accreditation as per ACI criteria	**ACI Airport Health Accreditation obtained for all 9 airports**	Obtain ACI Airport Health Accreditation for all 9 airports	🟢
OUR PEOPLE AND SOCIETY: Strategic objectives and KPIs		**Metric**	**FY2022 Actual**	**FY2022 Target**	**Target achieved**
Ensure successful transformation of ACSA operations	B-BBEE Level	B-BBEE as per the code	**Level 2**	Level 2	🟢
	% Black business share of commercial revenue generated	%	**42%**	40%	🟢
	# of job opportunities created	Number of job opportunities	**17 130**	18 405	🔴
OUR ENVIRONMENTY: Strategic objectives and KPIs		**Metric**	**FY2022 Actual**	**FY2022 Target**	**Target achieved**
Reduce environment impact	ACI Carbon Accreditation Level	ACI level as per mapping certification criteria	**Attained AC I Level 2 Reduction Certification for four airports (ORTIA, CTIA, KSIA, PEIA)**	Maintain Level 2 Reduction Certification for at least three airports (ORTIA, CTIA, KSIA)	🟢

06 FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE OVERVIEW

The financial performance for the year reflects the impact of the COVID-19 pandemic, which severely curtailed both aeronautical and non-aeronautical revenues.

- There has been significant improvement in financial performance and the outlook. The performance was however affected by the two waves of Covid-19 and civil unrests in July 2021.
- The recovery was however uneven with domestic and regional traffic recovering to 58% and 36% of pre-pandemic levels respectively. In contrast , international traffic hampered by the impact of travel restrictions and Omnicron variant in the third quarter of the financial year, only recovered to 29% pre-pandemic levels.
- The financial position of the company remains solid with strong asset base and low levels of debt.
- Capital expenditure program is limited maintenance and refurbishment as part of Recover and Sustain Strategy.
- The cost-reduction initiatives introduced in the previous financial year continued to minimise operating costs. These included headcount rationalisation through VSP and ER program.
- Rental reprieves for commercial partners who were also negatively affected by Covid-19.

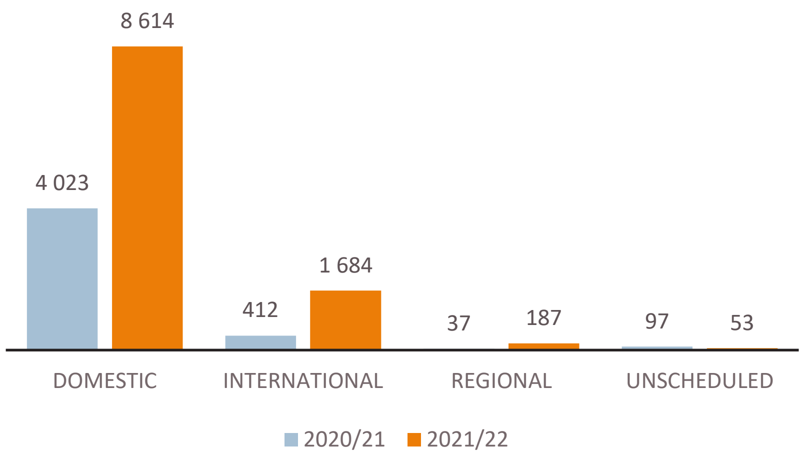


FINANCIAL PERFORMANCE

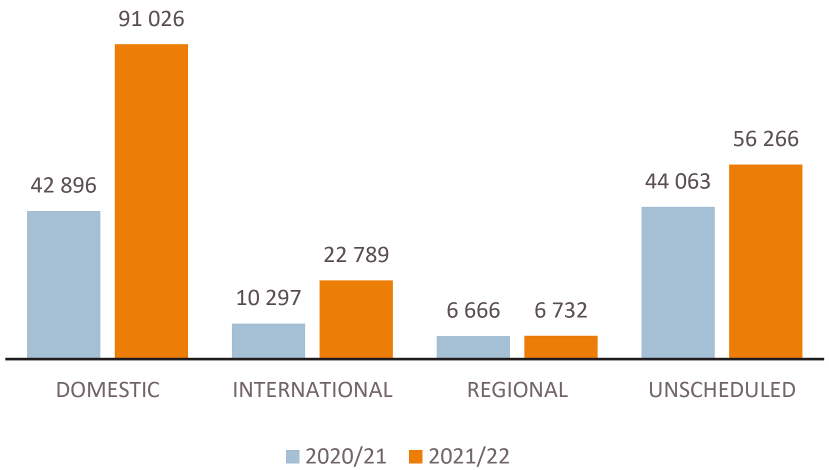
↑ Revenue	R3.9 billion FY 2020/21: R2.2 billion	↑ EBITDA	R342 million FY 2020/21: -R1.8 billion
↑ Profit / (Loss) for period	-R1 billion FY 2020/21: -R2.6 billion loss	↓ Operational Expenditure	R3.3 billion FY2021/22 R3.8 billion
↓ Capital Expenditure	R546 million FY2021/22 target: R973 million	↓ Total Assets	R30.4 billion FY2020/21: R31.6 billion
↑ Gearing Ratio	26% FY2020/21: 23%		

FINANCIAL PERFORMANCE – TRAFFIC VOLUMES

DEPARTING PASSENGERS (Thousands)



AIRCRAFT MOVEMENT (Thousands)

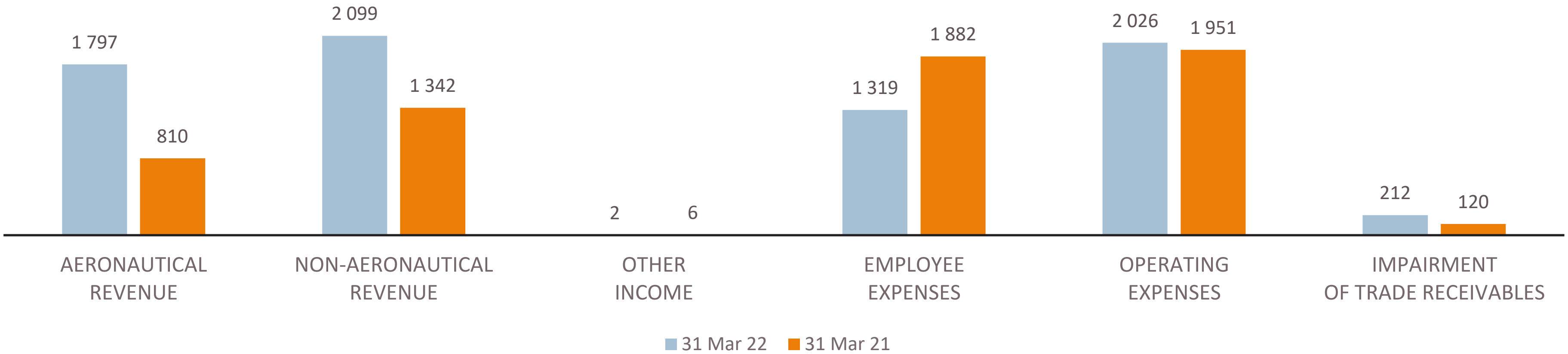


- Traffic volumes more than doubled in comparison to 2020/21 but remained at about 50% of pre pandemic levels of 2019.
- Travel bans, national lockdown and civil unrests contributed to the slow recovery.

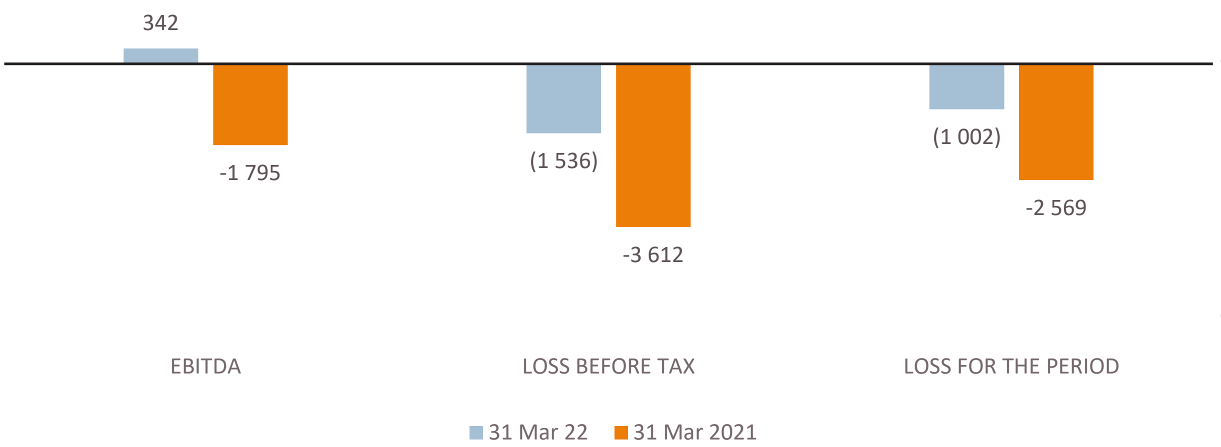
FINANCIAL PERFORMANCE

AIRPORTS COMPANY SOUTH AFRICA

FINANCIAL PERFORMANCE AND INCOME & EXPENDITURE (Rmn)



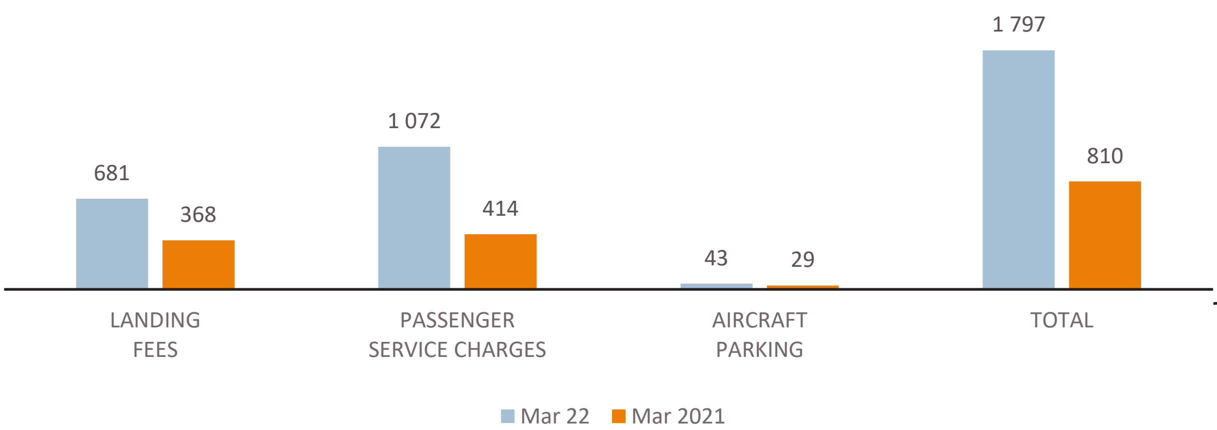
PROFIT AND LOSS (Rmn)



The performance reflects the impact of Covid-19 on the aviation sector in the last two financial years and consequent travel restrictions which continued during the year under review and had the effect of curtailing both aeronautical and non-aeronautical revenues.

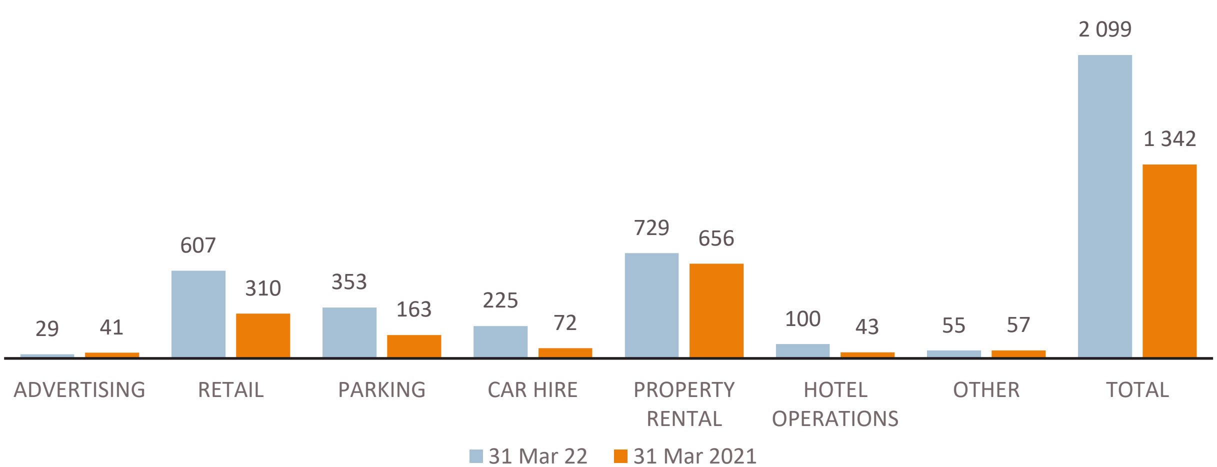
FINANCIAL PERFORMANCE

AERONAUTICAL REVENUE (Rmn)



Aeronautical revenue improved significantly by 121.7% to R1.8 billion (2021: R810 million). The improvement is due to increase in aircraft landings and departing passenger numbers.

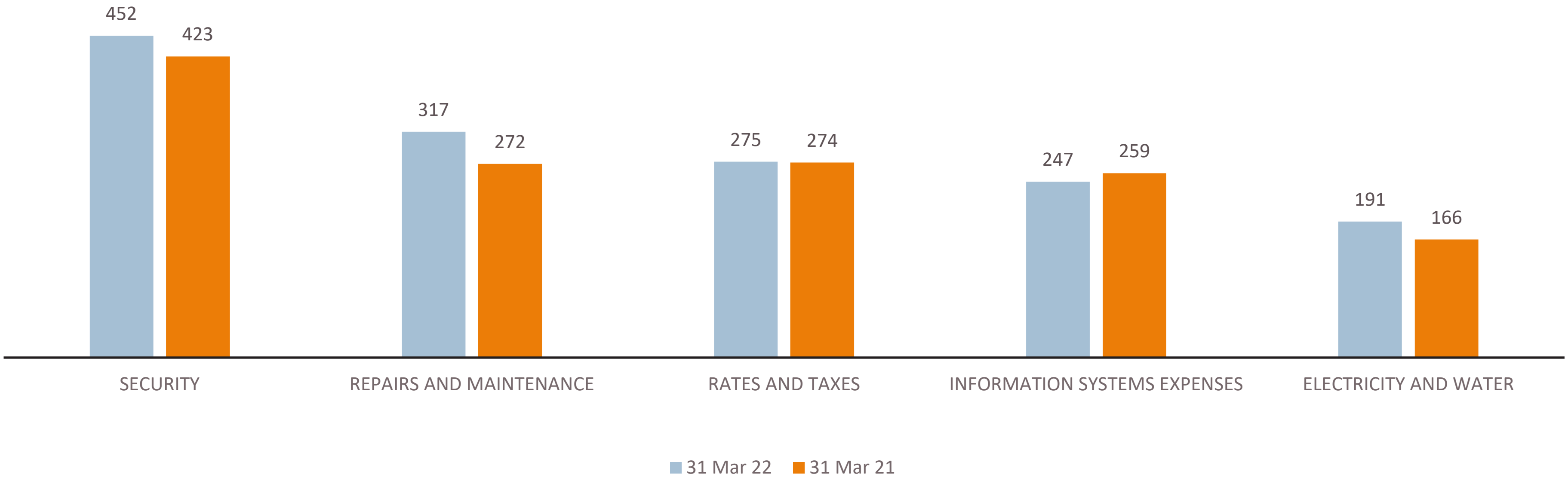
NON-AERONAUTICAL REVENUE (Rmn)



Non-aeronautical revenue performed better than last by 57.1% to R2.1 billion (FY2020/21 R1.3 billion). The improvement takes into account rental revenue reprieves of R591 million (FY2020/21 R1.4 billion) granted to tenants to offset the negative impact of the COVID-19 pandemic.

FINANCIAL PERFORMANCE

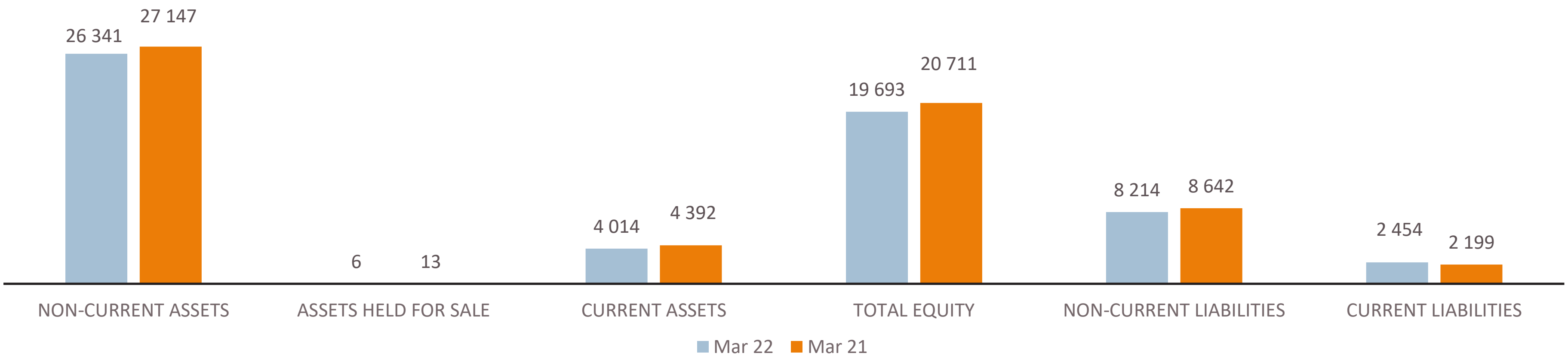
TOP FIVE OPERATIONAL EXPENDITURE (Rmn)



Operating costs increased by 3.9% to R2.02 billion (FY2020/21: R1.95 billion). The cost reduction initiatives introduced in the two previous financial years have assisted to minimise operating cost for the group.

FINANCIAL POSITION

ASSETS & LIABILITIES (Rmn)



ASSETS

Total assets for the period ended 31 March 2022 decreased to R30.4 billion compared to the balance of R31.6 billion at the beginning of the year:

- Capital Assets additions of R546 million offset by depreciation and amortisation charge of R1.2 billion
- Investment Property Fair Value loss of R91 million
- Cash and cash equivalents decreased by R1.3 billion, and
- Offset by increase is trade and other receivables of R747 million

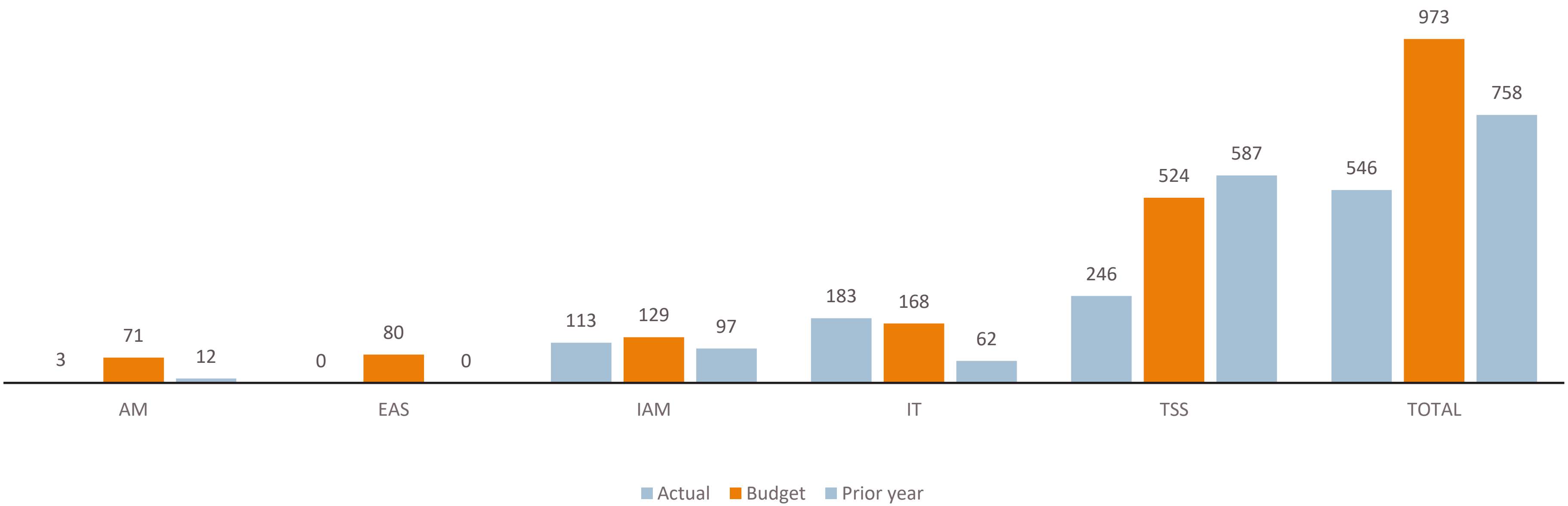
LIABILITIES

Total liabilities decreased by R182 million to R10.7 billion compared to the balance of R10.8 billion at the beginning of the financial year:

- Decrease in deferred tax liability of R302 million,
- Decrease in Interest bearing borrowing of R67 million
- Offset by increase in trade and other payables of R188 million, and
- Increase in provisions of R15 million.

CAPITAL EXPENDITURE

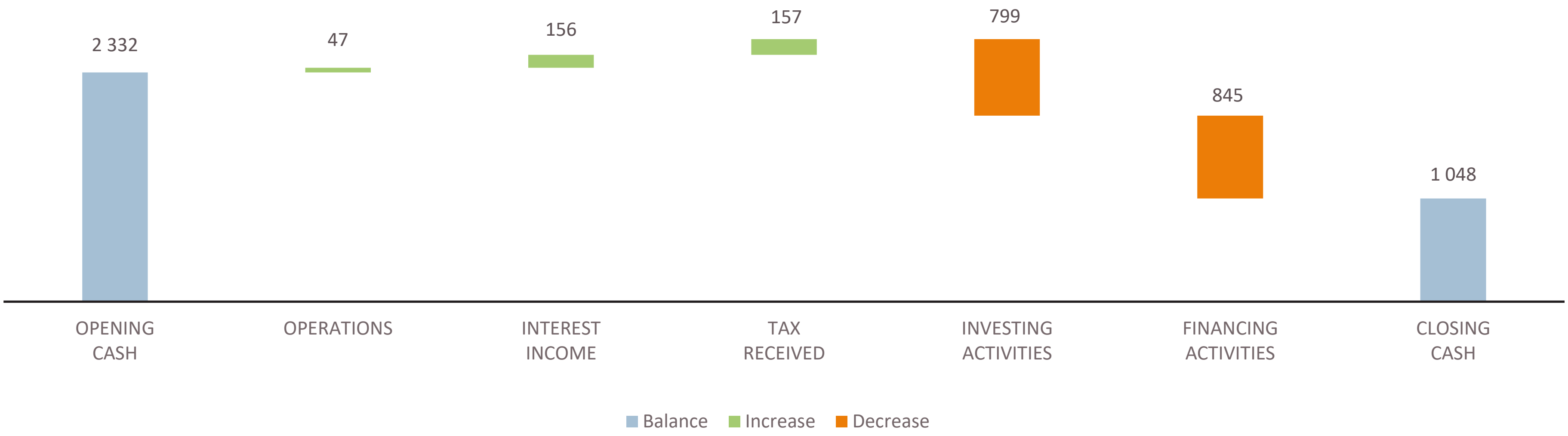
CAPITAL EXPENDITURE (Rmn)



- The Group had a Capital Allocation Target ("CAT") of R973 million and a funding limit of R1 billion.
- The R546 million capital expenditure for the year is below the CAT by R427 million. This was due to various internal challenges with the capital execution program which are currently being addressed.

CASHFLOW

CASH AND CASH EQUIVALENTS (Rmn)

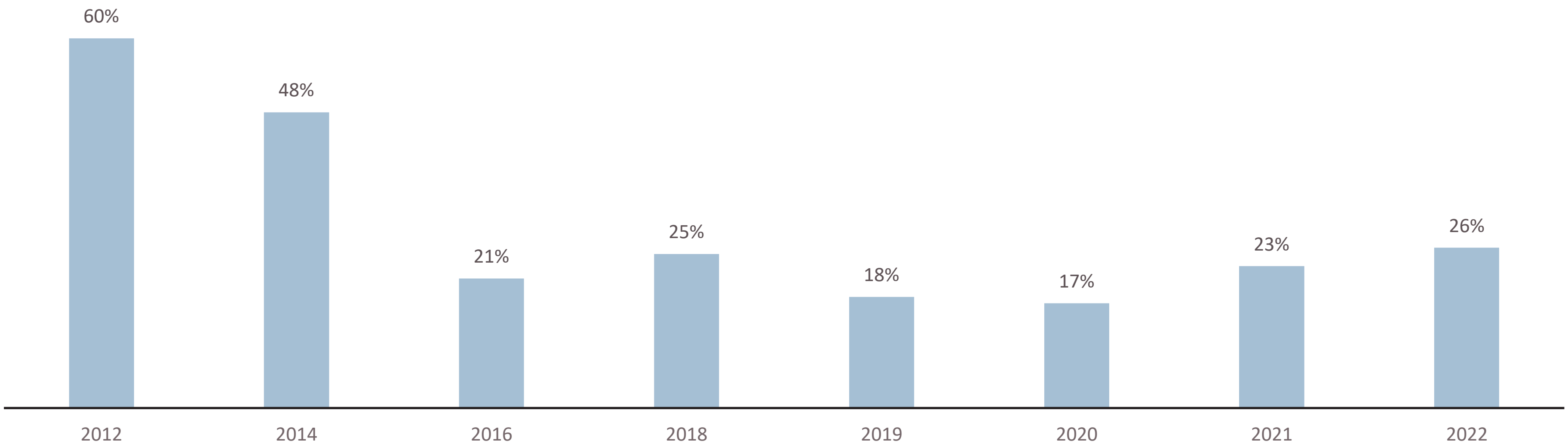


The cash and cash equivalents (excluding short-term investments) decreased by R1.3 billion for the period ended 31 March 2022. This include the following movements:

- R47 million cash generated from operations. Total receipts for the year are R3.6 billion (R2.2 billion in FY 2021), compared to pre-COVID receipts of R7.5 billion in FY 2020.
- Additions of R525 million to fixed assets
- Repayment of interest-bearing borrowings of R296 million, and
- Interest of R548 million paid on interest bearing borrowings.

GEARING RATIO

GEARING (%)

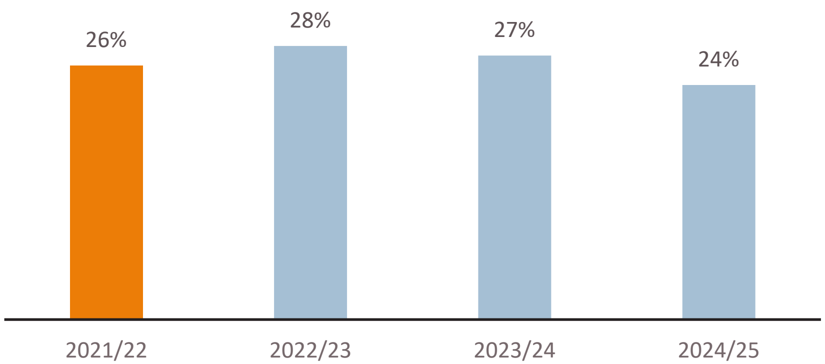


GEARING RATIO:

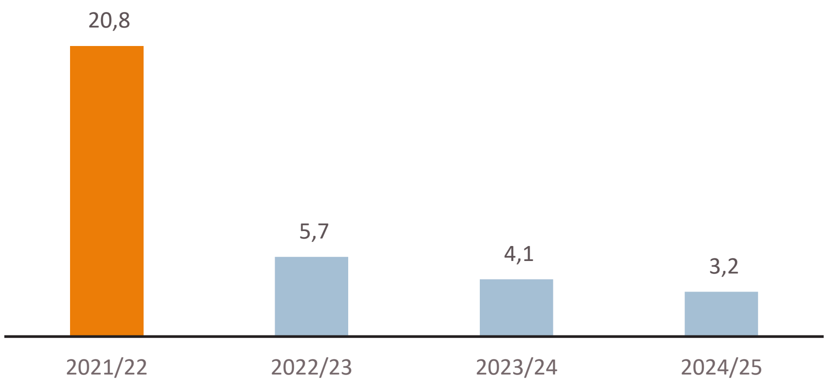
- The gearing increase is driven by decrease of R1.3 billion in Total Assets to R30.3 billion (FY 20/21 R31.6 billion) whilst borrowings only decreased R67 million to R9.25 billion (FY 20/21 R9.32 billion)
- Major debt redemptions to be noted are as follows:
    - R1.7 billion AIR02 fixed rate bond redeemable in April 2023;
    - R2.9 billion AIR01 inflation bond redeemable in the financial year ending March 2029 and
    - R2.5 billion consisting largely of preference shares redeemable in the financial year ending 31 March 2031

KEY CREDIT METRICS

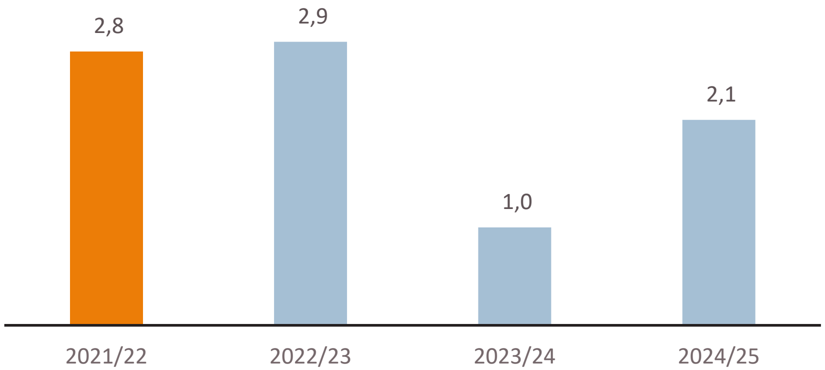
NET DEBT TO CAPITALISATION (below 65%)



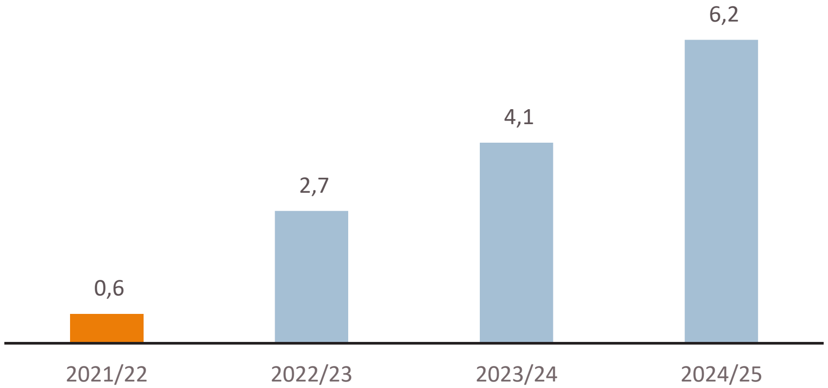
NET DEBT TO EBITDA RATIO (below 4x)



DSCR RATIO BY AVAILABLE CASH (above 1.5x)

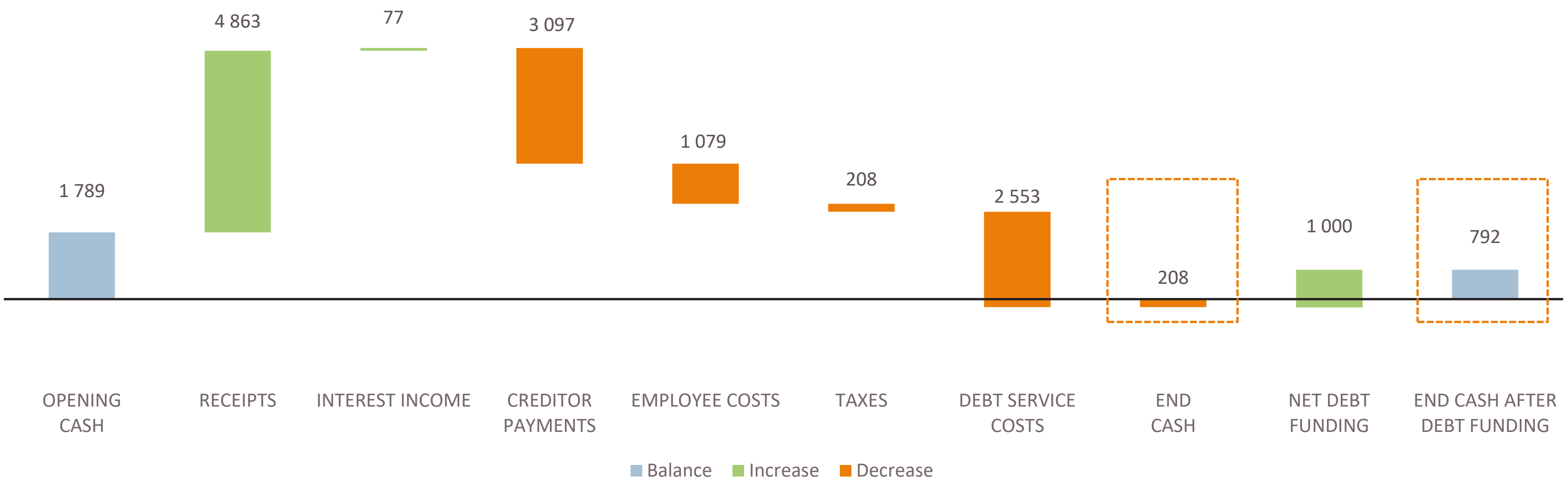


EBITDA INTEREST COVER RATIO (above 3x)*



ROLLING 12 MONTHS CASH FORECAST JUL 2022 TO JUN 2023

PROJECTED CASH FLOW (Rmn)



KEY CONSIDERATIONS

- CAPEX allocation limit of R1 billion maintained
- OPEX allocation maintained
- New debt borrowing of R1 billion
- Redemption of AIR02 fixed rate bond (R1.7 billion)

FINANCIAL PERFORMANCE OUTLOOK PERIOD ENDED 31 MARCH 2023

The company will continue to maintain minimal operating ad capital expenditures to preserve capital

Resize

Operating expense reduction of R1.8 billion by 2022/23

- OPEX: R1.3 billion
- Staff reduction: R500 million

Preserve capital

Annual capital expenditure allocation limit of R1 billion for 5-6 years

Reallocate capital

- Investment property monetisation
- International concession realisation

Tariff assistance

Limited tariff assistance given the decision to run the 2019 -2023 Permission to the end

FINANCIAL SUMMARY

- The group improved performance as compared to prior year due to easing of travel restrictions. This is reflected by improvement in both aeronautical and non aeronautical revenues, positive EBITDA and significant reduction in net loss i.e. R1 billion compared to R2,6 billion in prior year.
- The results demonstrates the Group's resilience in the face of unprecedented crisis precipitated by ongoing lockdowns travel restrictions and the need to drastically scale back operations. These results indicate that the business in now in the recovery phase.
- The group's economic regulation strategy continues to be implemented with the intention to improve predictability, transparency and balance the risk and reward in regulatory decisions. A permission application process is currently underway and the tariff decision will be implemented from the 2023/24 financial year.
- These matters relating to the funding of the group must be noted:
  - The company has maintained short-term banking facilities amounting to R1,8 billion;
  - The company is planning to refinance R1,7 billion of AIR02 fixed rate bond maturing in April 2023;
  - AFD granted the waiver period relating on financial covenants until March 2024 and
  - The company is still engaging PIC on possible shareholder financial support.
- The Group continues to pursue further efficiencies throughout the business in order to ensure long-term financial sustainability as well as sustainable capital expenditure limits and disciplined capital allocation.

07 FORWARD LOOKING

FUTURE OUTLOOK

- Easing of global travel restrictions since late December 2021 is supporting the recovery of the aviation sector.
- Foresee that both economic and COVID-related factors will continue to influence the recovery of passenger travel during the current period and beyond.
- Expect passenger traffic to continue to recover steadily throughout FY2023.
- Remain focused on our **core business of running airports efficiently** and strive to continuously improve the passenger experience.
- **Growth Strategy Implementation**, grow our footprint domestically and on the African Continent and diversification of Revenue Streams
- **Execute innovative IT and digitisation** initiatives through collaboration with our stakeholders.
- **Redefine the airport's space in city life and make airport hubs** more attractive leisure destinations for both passengers and the public.
- Entrench the **Revised Governance Framework and Operating Model**, Capability Model and Organisational Structure to support sustained recovery and compliance.
- **Permission application** for FY2023/24 - FY2027/28 underway.

08 QUESTIONS & ANSWERS