

Airports Company South Africa SOC Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1993/004149/30)

Issuer Code: BIACSA

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

PERFORMANCE HEADLINES:

- ACSA reports positive performance metrics since 2020.
- Revenue up 16%, from R6 billion to R7 billion.
- Profit of R472 million, recovering from a loss of R466 million in 2022/23. Gearing decreases to 17% from 24%.

**KEMPTON PARK, Aviation Park**, 5 September 2024 - Noteholders are hereby notified that Airports Company South Africa SOC Limited (ACSA) has today reported its audited financial results for the year to 31 March 2024, which reflect a return to financial stability, post the Covid-19 crisis.

Earnings before interest, tax, depreciation, and amortisation (EBITDA) increased by 51% to R2.9 billion (2022/23: R1.9 billion). Revenue increased by 16% to R7.0 billion from the R6.0 billion reported in the previous financial year. Operating expenditure was prudently contained with the return to normal operating levels, increasing by 6% to R2.5 billion (2022/23: R2.4 billion). The primary contributors to the increase in operating expenditure were maintenance, security, utilities and cleaning costs. Credit losses on trade receivables were significantly lower, and the Group's investment property portfolio benefited from fair value gains.

These factors positively contributed to the first after-tax profit of R472 million since the 2020 financial year, compared to a loss of R466 million in 2022/23.

The transition from the Recover and Sustain Strategy to the Innovate, Grow, and Sustain Strategy, as well as the revised Financial Plan, provided a structured management approach and a means of resourcing the business in a way that has enabled the Group to secure and safeguard its long-term sustainability.

Aeronautical revenue improved by 21% to R3.6 billion (2022/23: R3.0 billion). The 8% increase aircraft movements, 16% increase in number of departing passengers and 4.4% inflationary tariff increase contributed to this performance.

Similarly, non-aeronautical revenue performance benefited from the improved trading conditions, increasing by 12% to R3.4 billion (2022/23: R3.1 billion). The bulk of this income was derived from retail activities (R1.1 billion) and property rentals (R924 million).

Employee expenditure increased by 27% to R1.6 billion (2022/23: R1.2 billion). This is due to progress on filling vacancies created by the Staff Cost Reduction Programme, introduced in 2020, and restoration of some employee rewards and benefits, including the payment of an ex-gratia bonus of R75 million. An incentive bonus of R117 million, based on 4% of company EBITDA, has also been provided for.

Capital expenditure was limited to airport maintenance, refurbishments and rehabilitation, and efficiency and technology-related projects. A total of R568 million (2022/23: R422 million) was spent on those projects.

#### **Restatement of the annual financial statements**

Noteholders are advised of the restatements to the 2022/23 and 2021/22 figures in the 2023/24 annual financial statements, as outlined in note G.13 of the annual financial statements.

Property, plant and equipment and depreciation and intangible assets

1. A review of useful lives revealed that certain assets had incorrect useful lives allocated to them and were therefore being depreciated over a shorter period than appropriate. The correction resulted in the reduction in depreciation for the financial year ended 31 March 2023, and previous financial periods.

2. Upon completion of capital projects, assets were transferred prematurely from work in progress to the relevant category. As a result, the depreciation and accumulated depreciation were overstated. The 2023 and 2022 amounts have been restated to correct the error.

3. The Group is required to rehabilitate land on which there are bulk aircraft fuel storage facilities at the O.R Tambo, King Shaka, Cape Town, and Chief Dawid Stuurman International Airports.

Evidence of the obligation was available in the prior years and therefore the carrying amount of the Group's land, provisions, finance costs and operating expenditure were understated in the 2023 and 2022 financial year.

4. Some capital expenditure invoices had been erroneously duplicated. Consequently, trade payables and property, plant and equipment were overstated.

Intangible assets

Some intangible assets were not transferred from work-in-progress to the relevant category upon completion. As a result, amortisation and accumulated amortisation for the 2023 and 2022 financial years were understated.

Provisions, Finance cost and Operating costs

As outlined in 4 under 'Property, plant and equipment and depreciation and intangible assets' above.

#### Current tax payable

There are several tax disputes ongoing in the Company. The most significant pertains to the disallowance of capital allowances in respect of commercial buildings and airport assets in terms of sections 13quin and 12F of the Income Tax Act No.58 of 1962 respectively, for the 2018, 2019 and 2020 tax years. In the previous financial year, the company received a suspension of payment from SARS, which was later settled in October 2023. Although the company continues to object to the additional assessment raised by SARS, the financial statements have been restated to reflect the expenditure in the years in which the additional assessments were levied by SARS.

The restatement resulted in increases in penalties (Operating expenses), Current tax and finance expense.

#### Interest-bearing borrowings

There was an error in the calculation of the inflation-linked bond, AIRL01, which resulted in an understatement of borrowings and interest expense. The correction has been made retrospectively.

#### Deferred tax liability.

The tax effects of the restatement of the interest-bearing borrowings resulted in the restatement of the deferred tax liability.

The annual financial statements have been audited by the Group's auditors, Auditor-General South Africa, who expressed an unqualified opinion thereon, with an emphasis of matter drawing attention to the restatements noted above. The annual financial statements, including the audit opinion and key audit matters, available for inspection through a secure electronic manner at the election of the person requesting inspection and can be found on the Group's website at:

<https://www.airports.co.za/business/investor-relations/financial-information>

#### Media enquiries:

Ernest Mulibana, Senior Manager Communications

E-mail: Ernest.Mulibana@airports.co.za

Mobile: 082 263 7372

05 September 2024

Debt Sponsor

The Standard Bank of South Africa Limited