

STAKEHOLDER PRESENTATION

23 FEBRUARY 2021





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A person with a backpack is walking away from the camera on a moving walkway in an airport terminal. The walkway is flanked by glass railings and has a polished floor. In the background, there are signs and advertisements. A teal semi-transparent box is overlaid on the left side of the image.

1. OVERVIEW

GLOBAL TRAVEL RESTRICTIONS

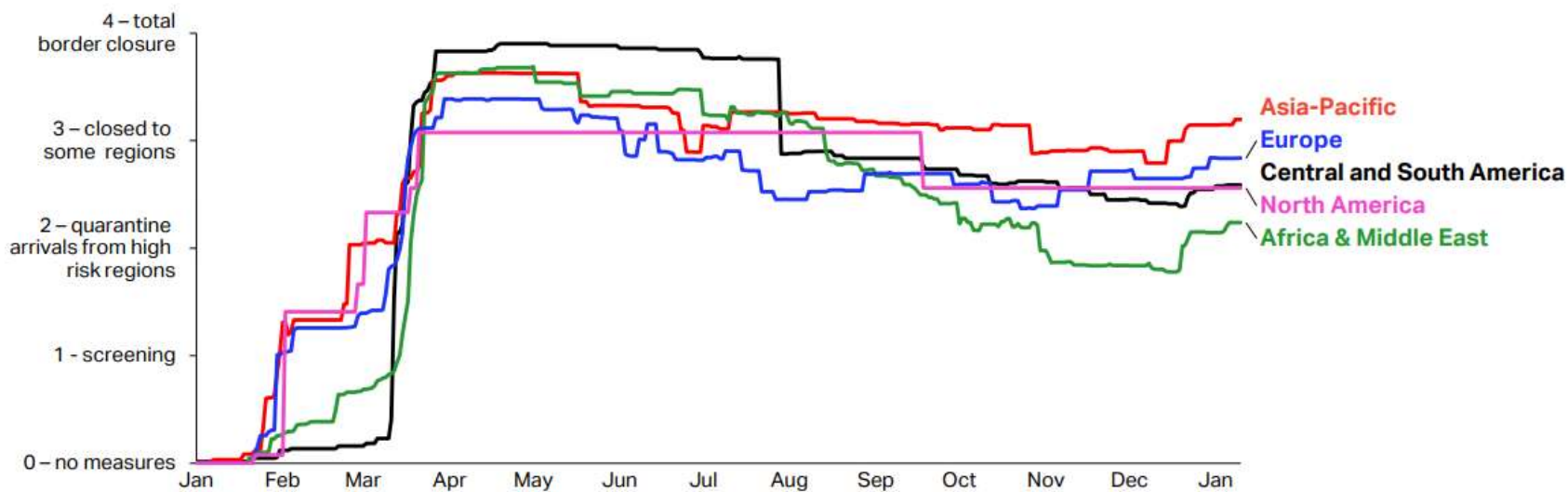


The immediate global response to the pandemic was to border closures and some restrictions on travel that saw the global skies with limited to no movements for commercial pax traffic. There has since been a gradual and consistent improvement to date.

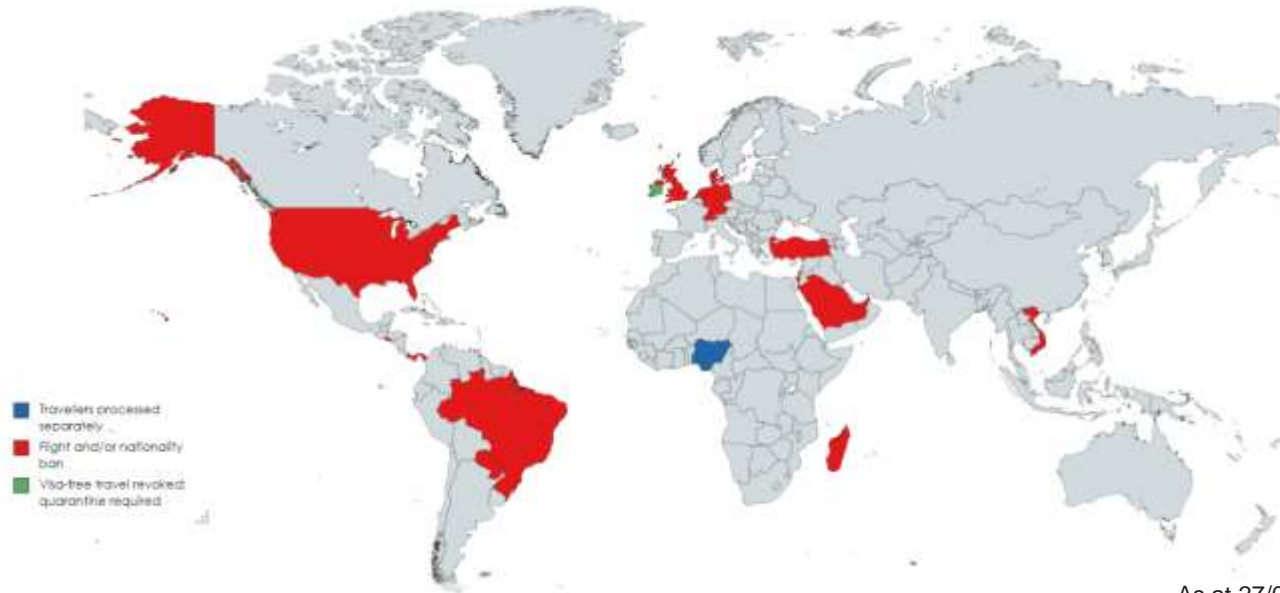
Source: IATA 04/2020, 27/07/2020, 20/10/2020, 23/11/2020; 06/01/2021, 03/02/2021, UNTWO 10/09/2020

CAUSING RENEWED LOCK-DOWNS AND TRAVEL RESTRICTIONS GOVERNMENTS RESPONDED TO VARIANTS CLOSING BORDERS TO TRAVEL

International travel stringency index weighted by population (Jan 2020-Jan 2021)



Source: IATA Economics: 3 Feb 2021



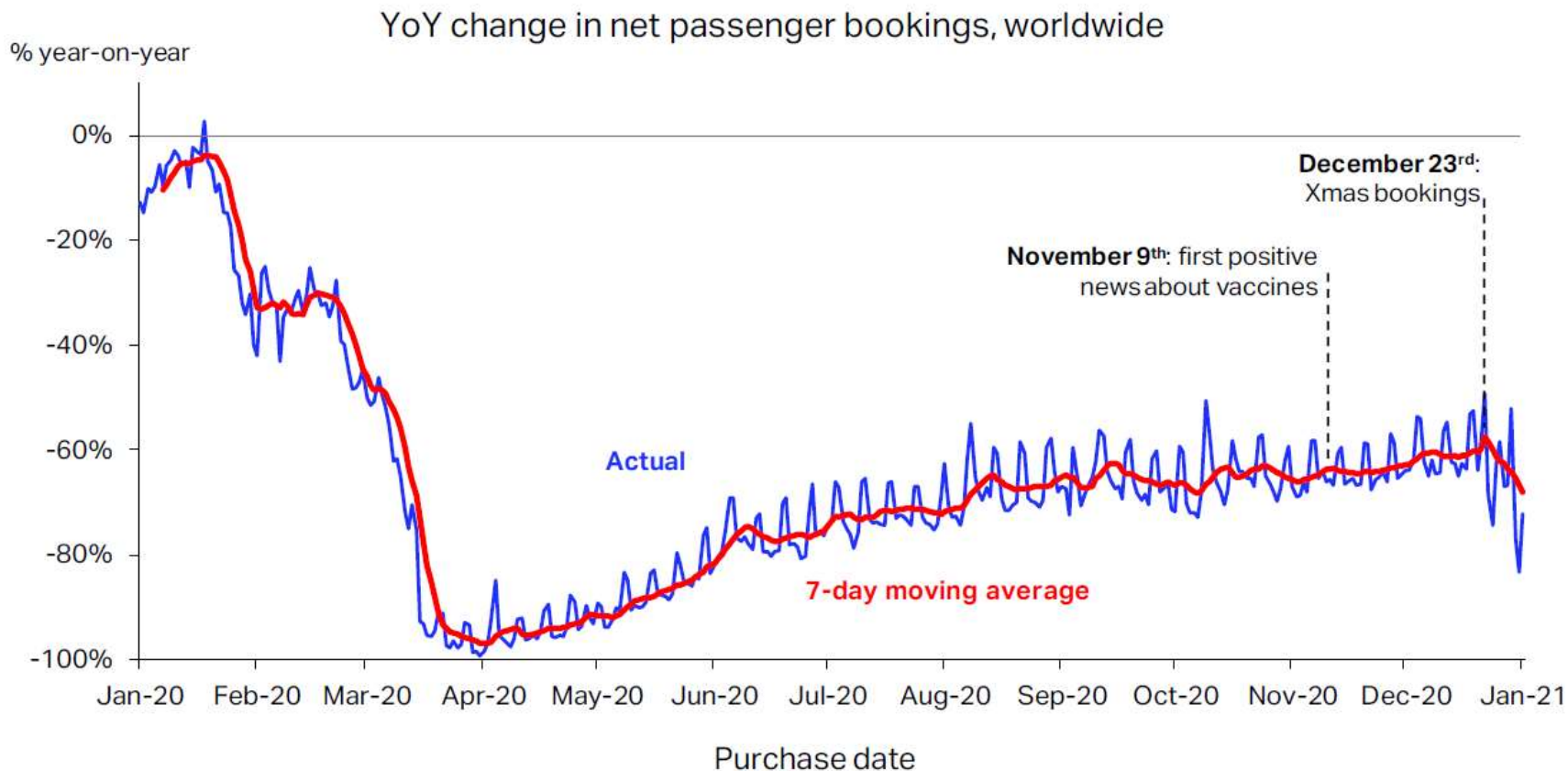
As at 27/01/2021

The already fragile recovery path of the industry since the end of the hard lockdown, especially the cross-border market, was hit by a setback of a new COVID-19 variant discovered in South Africa.

In response, several key markets imposed direct travel bans or some barriers in kind for travel to and from South Africa. Most notably is the USA, UK, and Germany which are among the top five top tourist source markets by air travel. Whilst the implications are more pronounced for cross-border travel, the new variant has potential to also undermine domestic passenger confidence.

Source: Business Tech 23/12/2020; Business Insider SA 28/12/2020, 21/01/2021, 27/01/2021, 06/01/2021; CPH Post Online 06/01/2021; EWN 21/12/2020; News24 22/12/2020; Times Live 22/01/2021; Reuters 24/01/2021; German Missions 08/02/2021

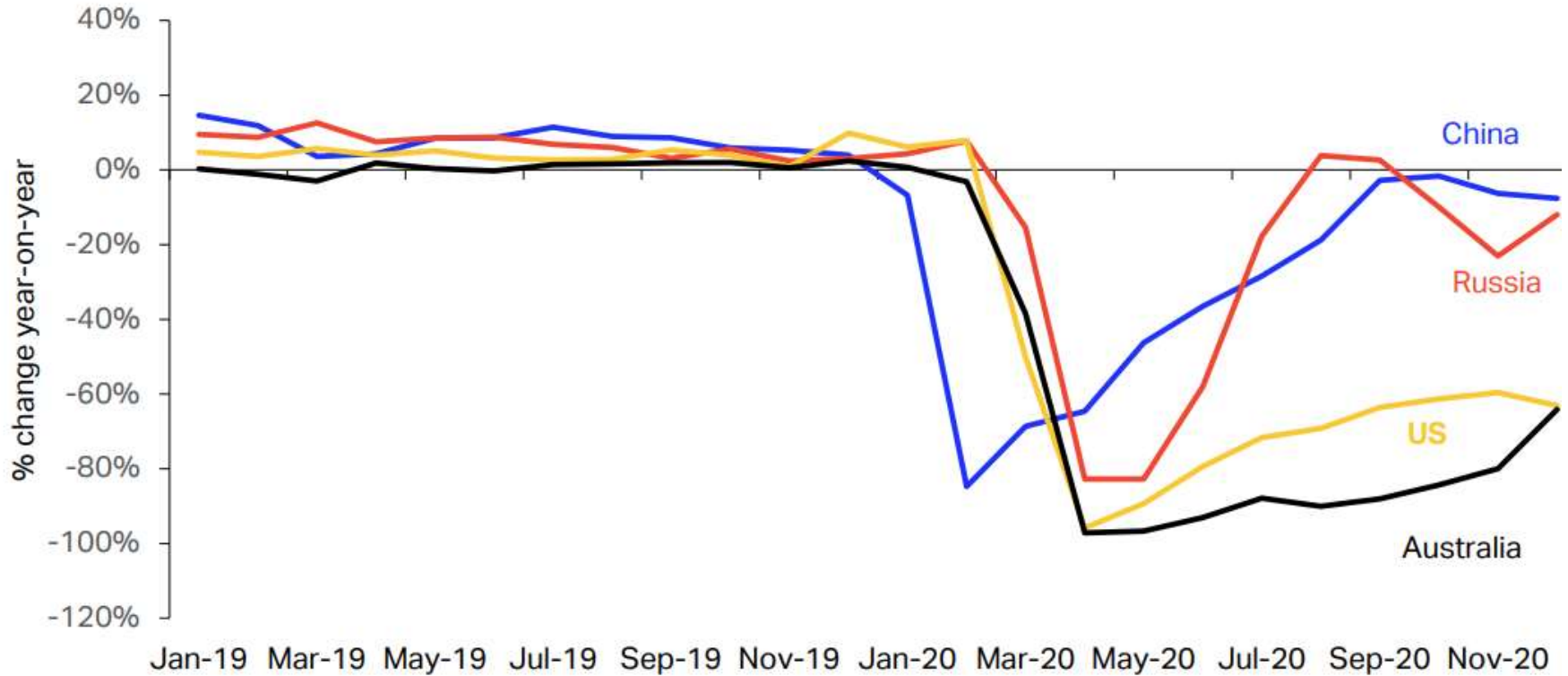
BOOKINGS WEAKENING DESPITE VACCINE NEWS FORWARD BOOKINGS RISE ON VACCINE NEWS REVERSED AT YEAR END



Source: IATA Economics using data from DDS

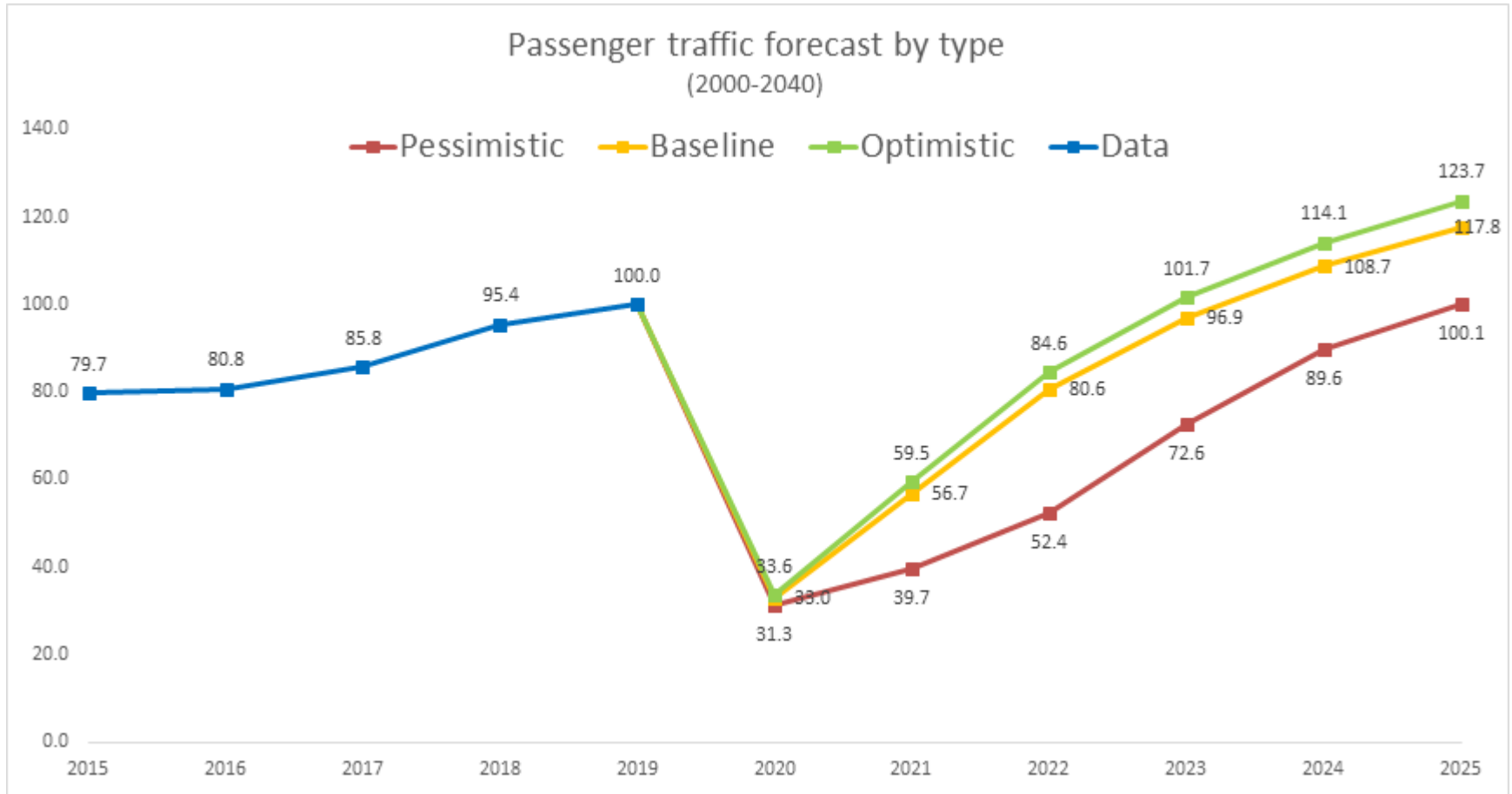
DOMESTIC MARKETS SHOWED THERE IS A DEMAND TO FLY
CHINA AND RUSSIA MARKETS NEAR FULL RECOVERY, BUT OTHERS REVEAL FRAGILITY.

Growth in domestic market RPKs



RPKs = Revenue Passenger Kilometre's

Source: IATA Economics: 3 Feb 2021; <https://www.iata.org/en/iata-repository/publications/economic-reports/weak-year-end-for-air-travel-and-deteriorating-outlook/>



Source: ACI; 19 Feb 2021

KEY DRIVERS (TRADITIONAL AND NEW) INFLUENCING THE JOURNEY TO NEW NORMAL AND POST COVID-19 GROWTH



1. Covid-19 Specific Drivers

- Travel restrictions
- Consumer Health concerns
- Virtual business practice
- Airline and Airport operations and experience
- Ticket prices
- Consumer spending
- **Vaccine**

2. Traditional Drivers

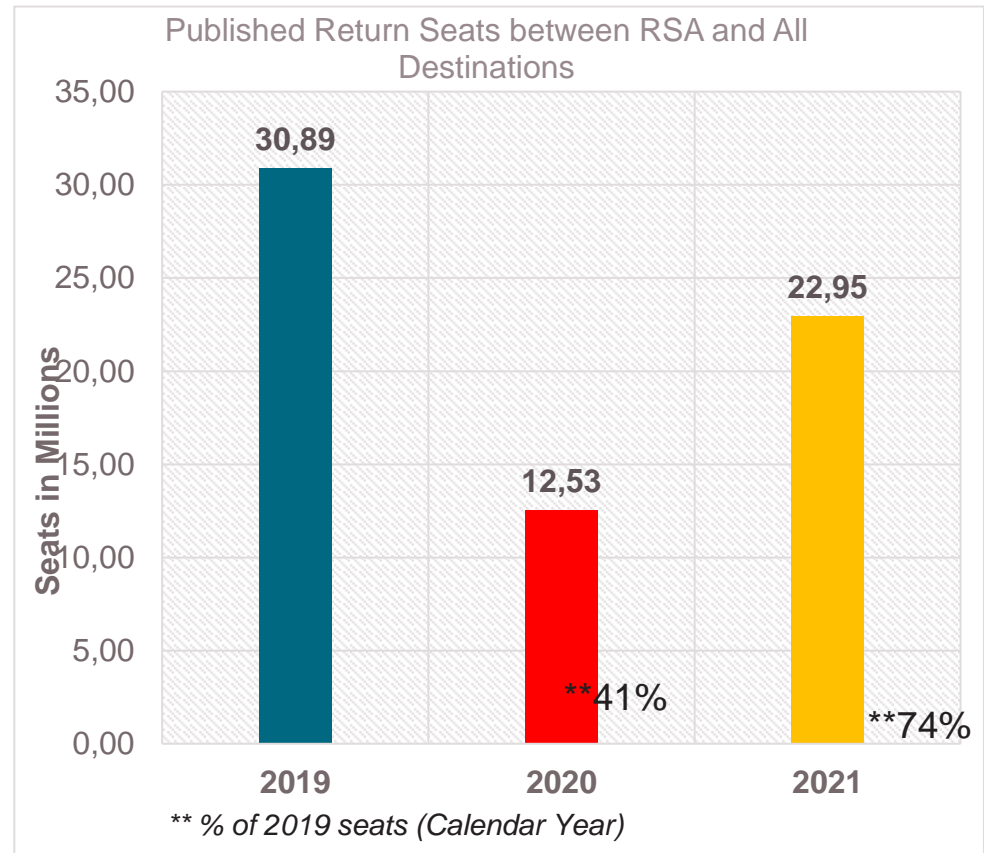
- Ticket prices
- Consumer spending
- Economic conditions
- Aero and geopolitics
- Globalisation
- Environmental concerns

The shape of the recovery curve will be influenced by:

- Baseline at which traffic resume when crisis ends
- Subsequent growth in air travel demand

Therefore, to ensure an efficient restart “post” the crisis these key drivers will be closely monitored and modelled into the recovery plans as the crisis unfold

- More seats published by airlines in 2021 as compared to 2020 using 2019 as a baseline despite global restrictions
- Day of departure seats are influenced by demand thus airlines make schedule adjustment closer to departure date
- Air Cote D'Ivoire (from April), United Airlines (from June), and TAP Portugal (from November) are new airlines planning services into South Africa in 2021
- As the global community intensify the vaccination program, confidence for international air travel is expected to slowly return with countries in the west relaxing all covid-19 restrictions



Source: Sabre MIDT



2. COVID-19 IMPACT RESPONSE

- **Funding Initiatives**

- Secured R3 billion short-term banking facilities
- Concluded R810 million loan with DBSA
- Proceeds of R1.27 billion (net of tax) from MIAL sale realised
- Issuance of preference shares to existing shareholders on track

- **Liquidity Management**

- Implementation of effective working capital management to preserve cash
- Utilisation of short-term credit facilities to meet short-term liquidity requirements

- **Long-term Financial Sustainability**

- Obtained waiver of financial covenants from AFD until June 2022
- Implemented Capex and Opex (incl staff costs) reductions
- Completed revision of corporate strategy to support financial plan

A photograph of an airport at night. In the foreground, a white airplane with a red engine is parked on the tarmac. The registration number 'G-VZIG' is visible on the tail. In the background, a large, modern airport terminal with a curved glass facade is illuminated. The sky is dark, and the scene is lit by airport lights.

3. CORPORATE PLAN STRATEGY



Vision

To be the most sought-after partner in the world for the provision of sustainable airport management solutions by 2030.

Run Airports

Now - 2025: Timeframe #1

Extend and defend core businesses.

Explore emerging businesses

Minimal Capex (Replace and Refurbish).

Develop Airports

2026 – 2030: Timeframe #2

Build emerging businesses to drive revenue growth

Ensure company's longer-term future.

More Investment Partnerships

Grow footprint

Beyond 2030: Timeframe #3

Operate the new ACSA with a redirected focus and growth trajectory.

Pronounced Growth.

Implementation of ACSA's growth strategies and plans

BUSINESS PRIORITIES

People and culture Governance

- Leadership, organisational design and performance
- Revised Governance Framework and Operating Model

Operational Efficiency Digitisation

- Insource / Outsource
- Artificial Intelligence Thermographic solution

A nighttime photograph of an airport tarmac. In the foreground, a row of white cargo containers on a cart is visible, with the top one labeled 'AKE 18454 BA' and 'BRITISH AIRWAYS'. In the background, an Emirates aircraft is parked at a gate. A long, illuminated glass-enclosed walkway spans across the tarmac. Light trails from a vehicle are visible in the lower right. The sky is dark blue.

4. OPERATIONS

PASSENGER AND AIRCRAFT PROCESSING SUB-SYSTEMS

HEALTHY EXPERIENCE

HEALTHY DEPARTURE PROCESS



HEALTHY ARRIVAL PROCESS



AIR TRANSPORT

PRIORITY ACTIVITIES

STATUS

Implications for the business



Scenario:

- 50% domestic travel volumes based on current slot confirmation.
- 25 % International flights.
- Increased certainty on load factors for domestic and international flights.

Operational measures undertaken/implemented



13 Feb 2021: Level 3 Updated Lockdown Regulations:

- All **international** travel is permitted subject to:
 - Valid negative PCR test obtained not more than 72 hrs
 - International travel restricted to: (ORTIA, CTIA and KSIA)
 - Curfew: 24 Hour International Traffic (passenger and cargo) only allowed at ORTIA, CTIA and KSIA
- All **domestic** travel is permitted
 - All Domestic Traffic (passengers and cargo) restricted to operate between curfew **23:00 to 04:00**
- **Other operational processes**
 - Mandatory temperature screening
 - Other airport & security processes,
 - Auxiliary support Services,
 - Industry collaboration, etc.



Departing passengers comparison 2019 vs 2020

Departing Passengers Growth	2020 Market Share	Departing Passengers 2020	Departing Passengers 2019	Growth	% Growth
	100.00%	7 372 910	21 564 620	-14 191 710	-65.8%
Domestic	77.29%	5 698 426	14 961 129	-9 262 703	-61.9%
International	22.7%	1 674 484	6 603 491	-4 929 007	-74.6%

Aircraft movement - comparison 2019 vs 2020

Aircraft Movement	2020 Market Share	Aircraft Movement 2020	Aircraft Movement 2019	Growth	% Growth
	100.00%	105 585	232 703	-127 118	-54.6%
Domestic	78.58%	82 970	175 459	-92 489	-52.7%
International	21.42%	22 615	57 244	-34 629	-60.5%

Departing passengers - comparison 2021 vs 2020 (Jan)

Departing Passengers Growth	2021 Market Share	Departing Passengers 2021	Departing Passengers 2020	Growth	% Growth
	100.00%	542 949	1 784 554	-1 241 605	-69.6%
Domestic	82.66%	448 817	1 233 161	-784 344	-63.6%
International	17.34%	94 132	551 393	-457 261	-82.9%

Aircraft Movement - comparison 2021 vs 2020 (Jan)

Aircraft Movement	2021 Market Share	Aircraft Movement 2021	Aircraft Movement 2020	Growth	% Growth
	100.0%	10 075	18 988	-8 913	-46.9%
Domestic	81.7%	8 231	14 144	-5 913	-41.8%
International	18.3%	1 844	4 844	-3 000	-61.9%



5. FINANCIAL PERFORMANCE 1H20/21

FINANCIAL PERFORMANCE HIGHLIGHTS – 1H20/21



Revenue

R 685 million

R3.5 billion
(1H2019/20)



Profit/Loss for period

- R1.47 billion

R125 million
(1H2019/20)



ROCE

- 4.4%

0.56%
(1H2019/20)



Total Assets

R 30 billion

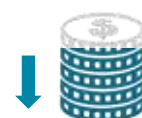
R32 billion
(1H2019/20)



Concession Investments

R 912 million

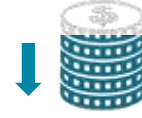
R1.4 billion
(1H2019/20)



EBITDA

- R 1.1 billion

R1.4 billion
(1H2019/20)



ROE

- 6.8%

1.6%
(1H2019/20)



Capital Expenditure

R 301 million

R317 million
(1H2019/20)



Gearing Ratio

21%

17%
(1H2019/20)

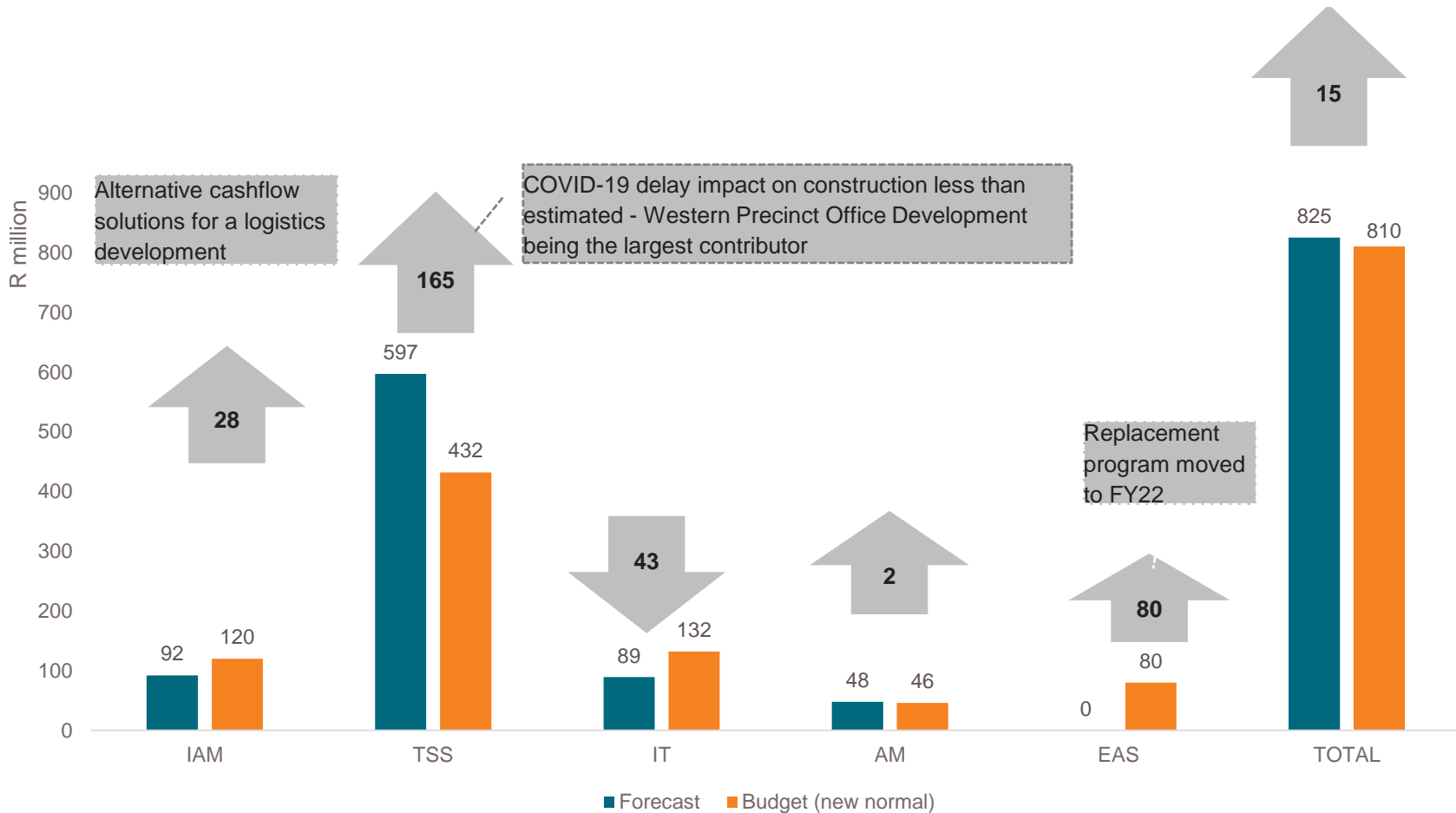


6. OPEX AND CAPEX REDUCTION PROGRESS AS AT 31 DECEMBER 2020



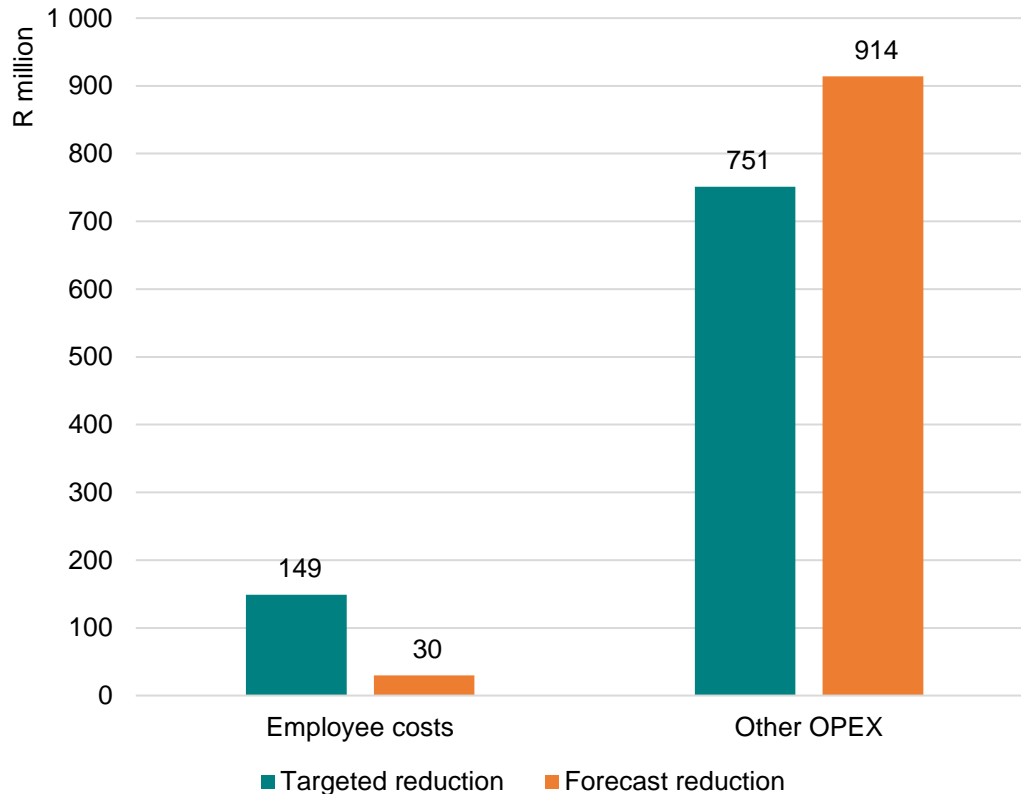
CAPITAL EXPENDITURE

TARGET OF R810 MILLION ALLOCATION FOR FY20/21



TARGET: R900 MILLION REDUCTION

CURRENT FORECAST: R44 MILLION BETTER THAN TARGET



- The employee cost forecast includes the once-off cost of the Voluntary Retrenchment & Early Retirements
- Other operating expenses include additional bad debt provisions
- Expenditure line items where targets are being exceeded are:
 - Cleaning expenses
 - Electricity & water
 - Security costs
 - Repairs & maintenance
 - Travel



7. ECONOMIC REGULATION UPDATE

ENGAGEMENTS WITH AFFECTED STAKEHOLDERS ARE REGARDED AS KEY TO THE ACHIEVEMENT OF APPROPRIATE TARIFF ASSISTANCE

- **Engagement focus with the Regulating Committee and related stakeholders**
 - Sharing of revised strategy and financial plans
 - Clarity on tariff assistance for long-term sustainability
 - Potential solutions to reduce level of tariff increases, e.g. gain sharing on monetisation of non-core investments
- **Initial responses**
 - Significant uncertainty persists which impacts decision-making
 - Resistance to passing on full cost of the impact of COVID-19 to the users
 - Government support to be considered
- **Regulatory approach for the 2022 to 2026 Permission application**
 - Consideration to be given to run the current Permission for the full 5 years
 - Approach document not yet published

Emerging risks are being addressed through continuing engagement in the lead up to the 2022 to 2026 Permission application

A nighttime photograph of an airport terminal and tarmac. The terminal building on the left has a large glass facade that is brightly lit from within, showing interior structures. The tarmac in the foreground is dark with yellow and red markings. In the background, several aircraft are parked at gates, illuminated by bright lights that create starburst effects against the dark sky. A teal semi-transparent banner is overlaid across the middle of the image, containing the text '8. CORPORATE FINANCIAL PLAN'.

8. CORPORATE FINANCIAL PLAN

KEY BUSINESS PLAN ASSUMPTIONS

THE 2022 TO 2024 CORPORATE PLAN IS TO DELIVER ON THE COMMITMENTS MADE IN THE 2021 TO 2023 BUSINESS PLAN (AS REVISED)



RESIZE

Operating expense reduction of R1,2 billion by 2021/22

- OPEX: R900 million
- Staff reduction: R300 million



PRESERVE CAPITAL


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



RE-ALLOCATE CAPITAL*

Investment property monetisation

International concession realisation



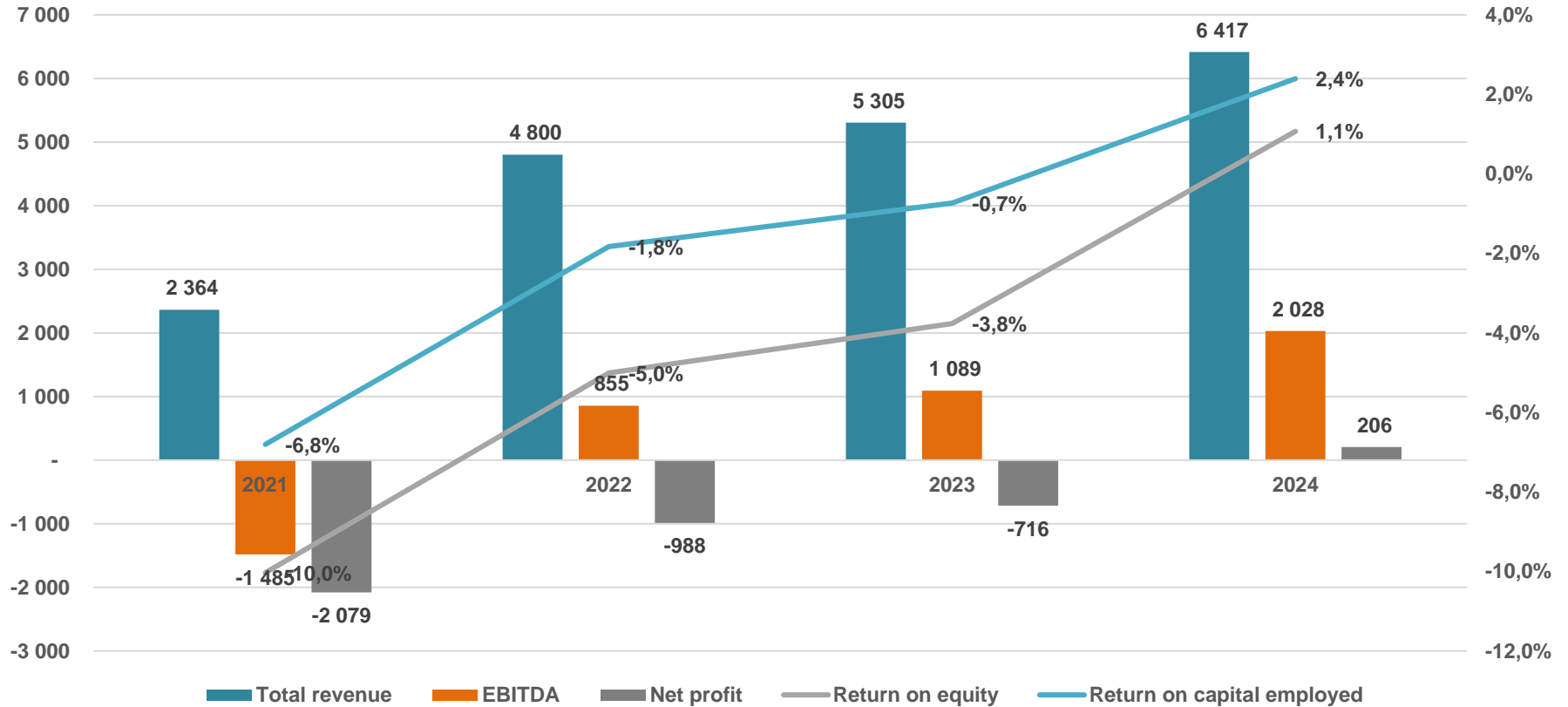
TARIFF ASSISTANCE

A minimum tariff increase of 35% in 2023/24

* - Only the MIAL disposal is currently reflected in the 2022 to 2024 Corporate Plan

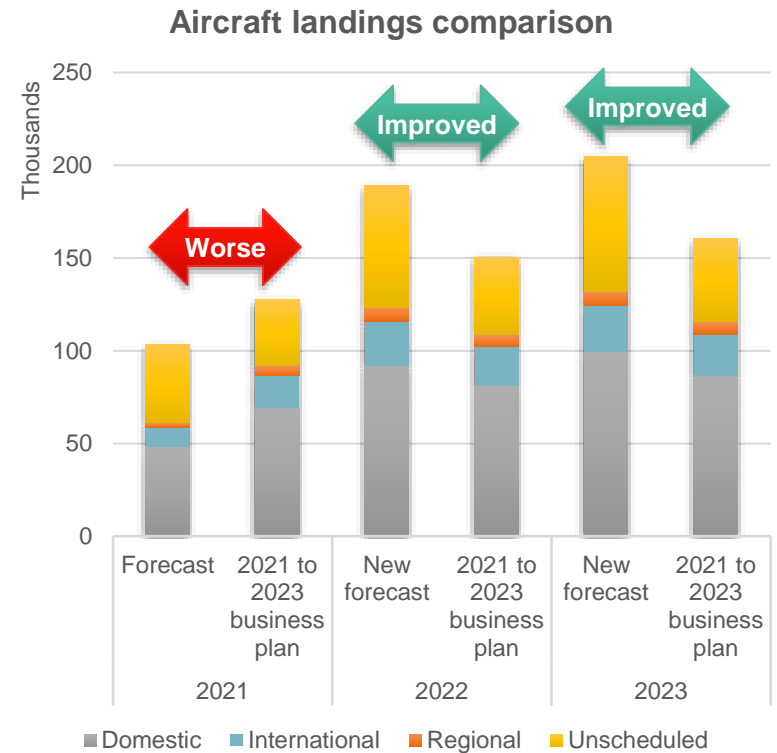
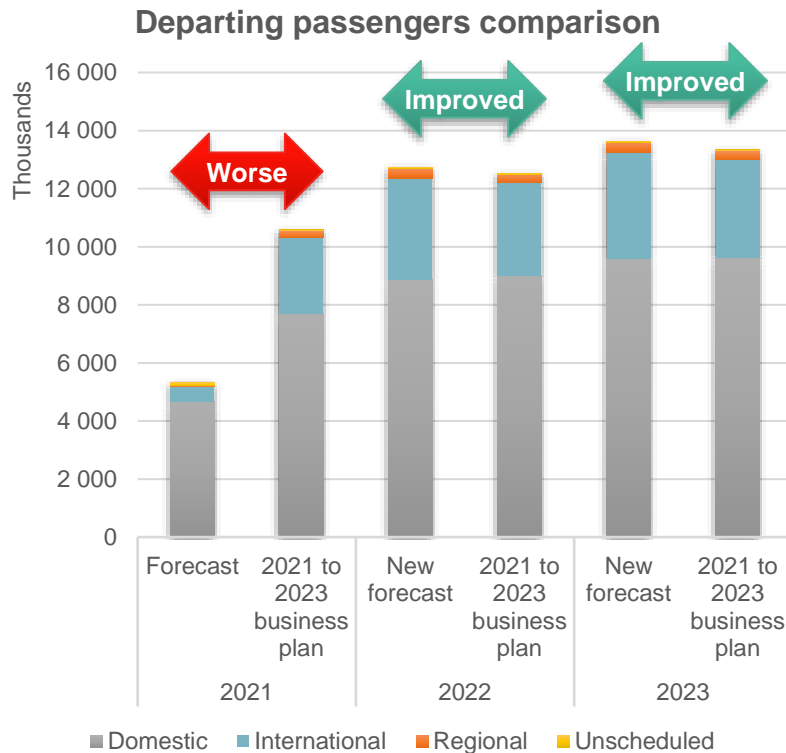
KEY FINANCIAL HIGHLIGHTS

THE 2022 TO 2024 CORPORATE PLAN INDICATES A MUCH DEEPER SLOW-DOWN IN 2020/21 (-75%) AND AN SLIGHTLY IMPROVED POSITION IN 2021/22 DUE TO A 1.7% TRAFFIC VOLUME IMPROVEMENT



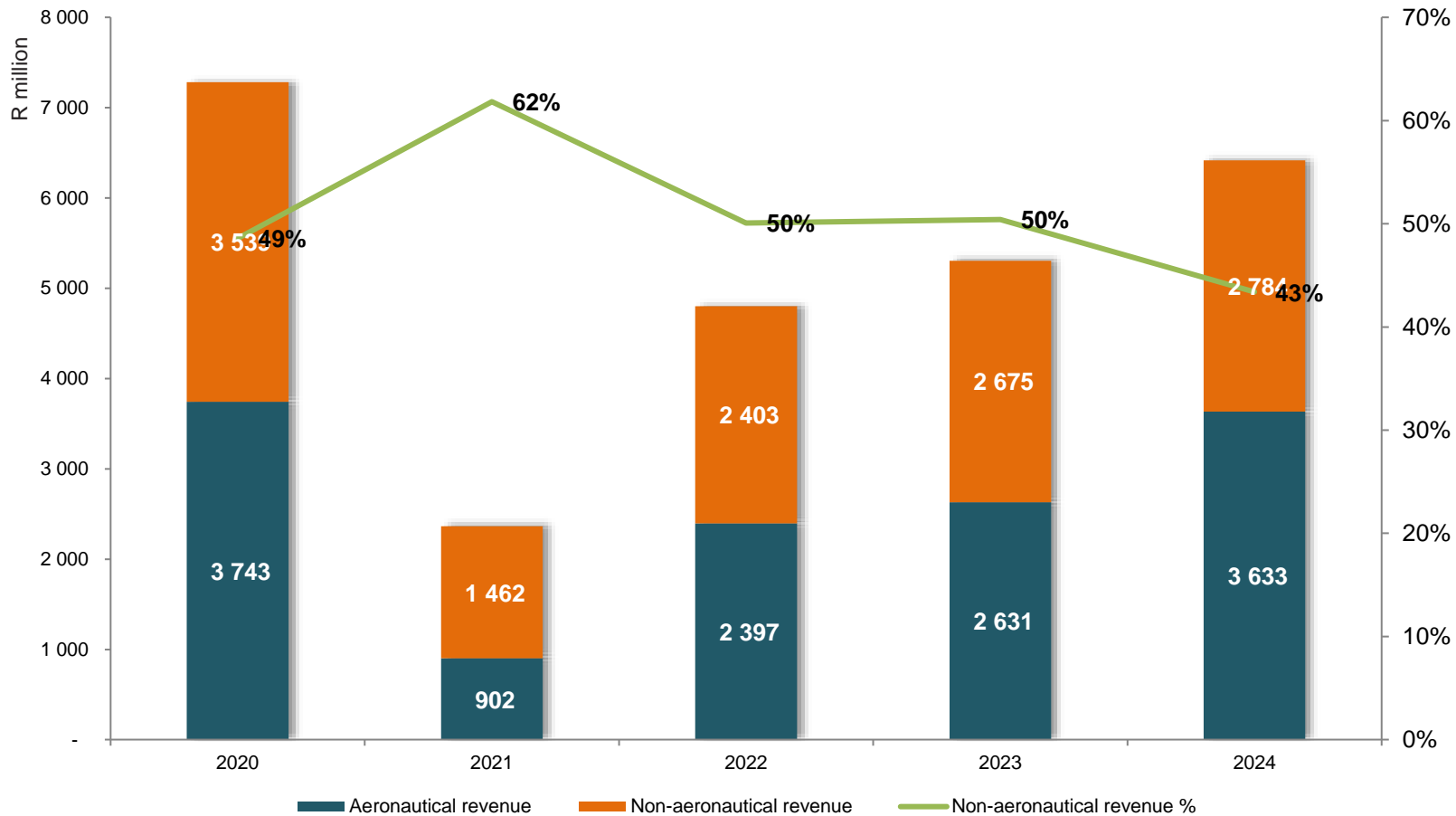
Break-even is now forecast for 2023/24 due to the worst-case potential outcome of a delay in the 35% tariff assistance

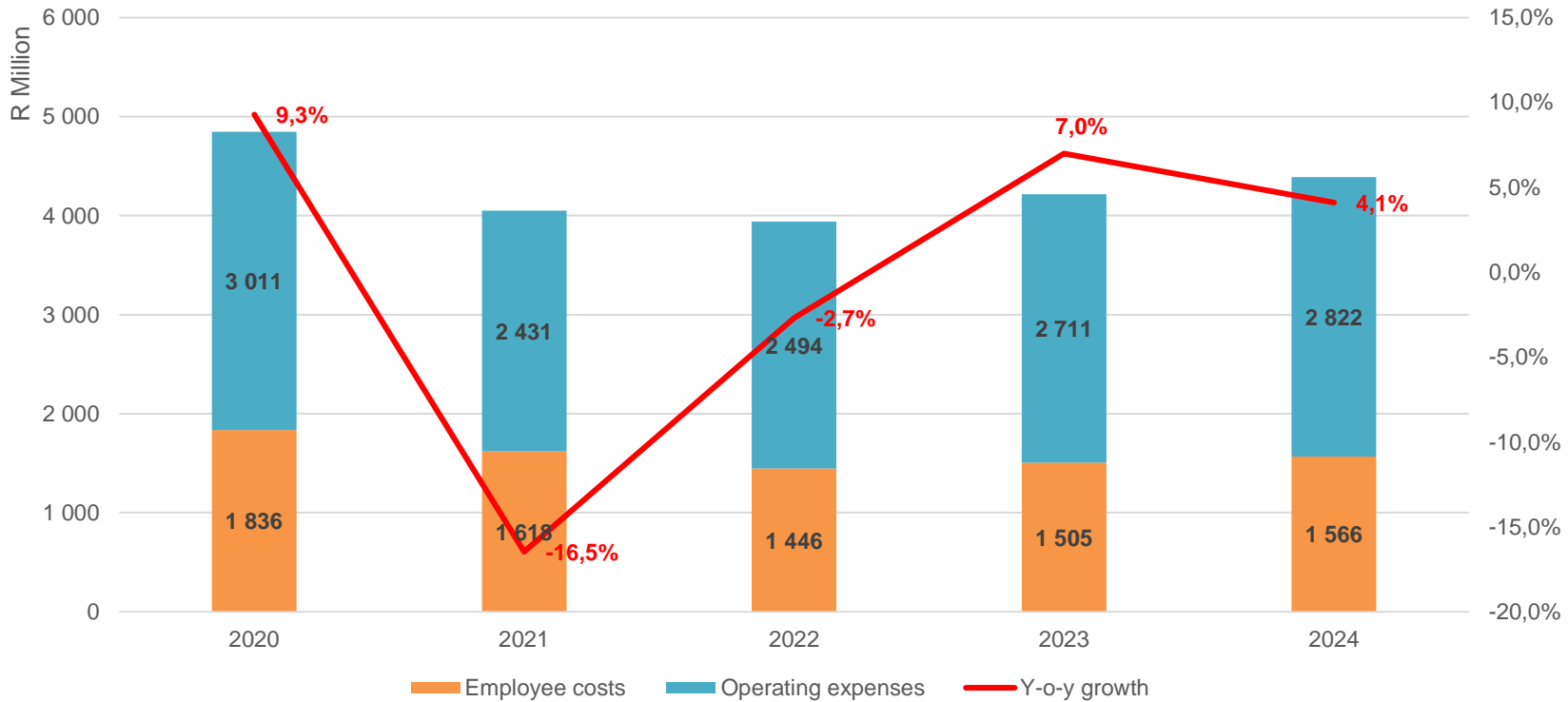
A DEEPER SLOW-DOWN IN 2020/21 FOLLOWED BY AN IMPROVED OUTLOOK FOR 2021/22



- **Departing passengers** are estimated to **decline by 74.5% in 2020/21**, previously 50%
- In 2021/22, departing passenger volume is estimated to be 39,1% less than in 2019/20
- **Aircraft landings** are estimated to **decline by 58.4% in 2020/21**, previously 50%
- In 2021/22, aircraft landings are estimated to be 24.0% less than in 2019/20

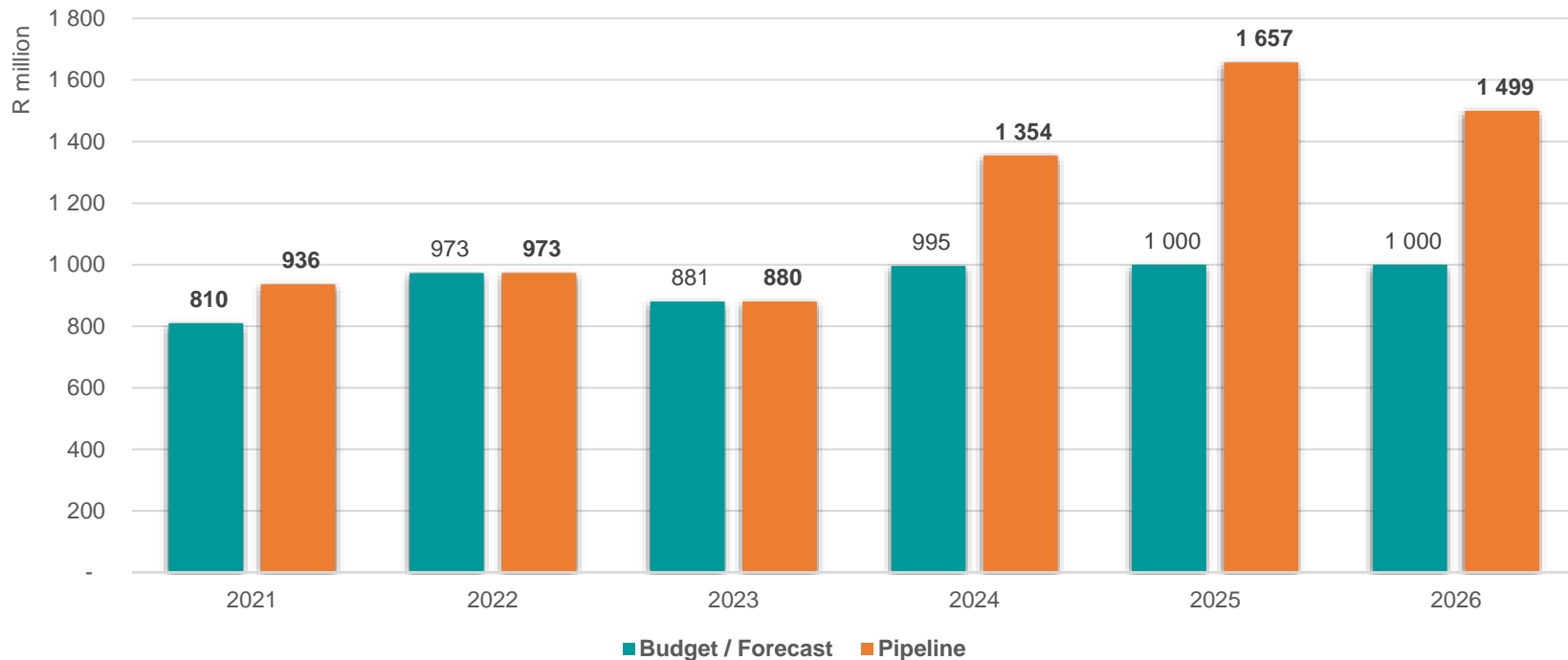
TOTAL REVENUE IN 2021/22 IS ESTIMATED TO BE 34% LOWER THAN 2019/20. THIS FOLLOWS A REDUCTION IN TOTAL REVENUE OF 68% IN 2020/21.





- The implementation of the R900 million operational expenses reduction and the R300 million employee cost reduction is evident in 2021/22 – a 19,8% decrease on 2019/20 expenditure levels at Company level
- Expenditure levels post-COVID will be +/- 40% lower than pre-COVID budgets

THE CAPITAL ALLOCATION LIMITS FOR THE CORPORATE PLAN / PERMISSION PERIOD REMAINS R1 BILLION (FORECAST AS AT 14/12/2020)



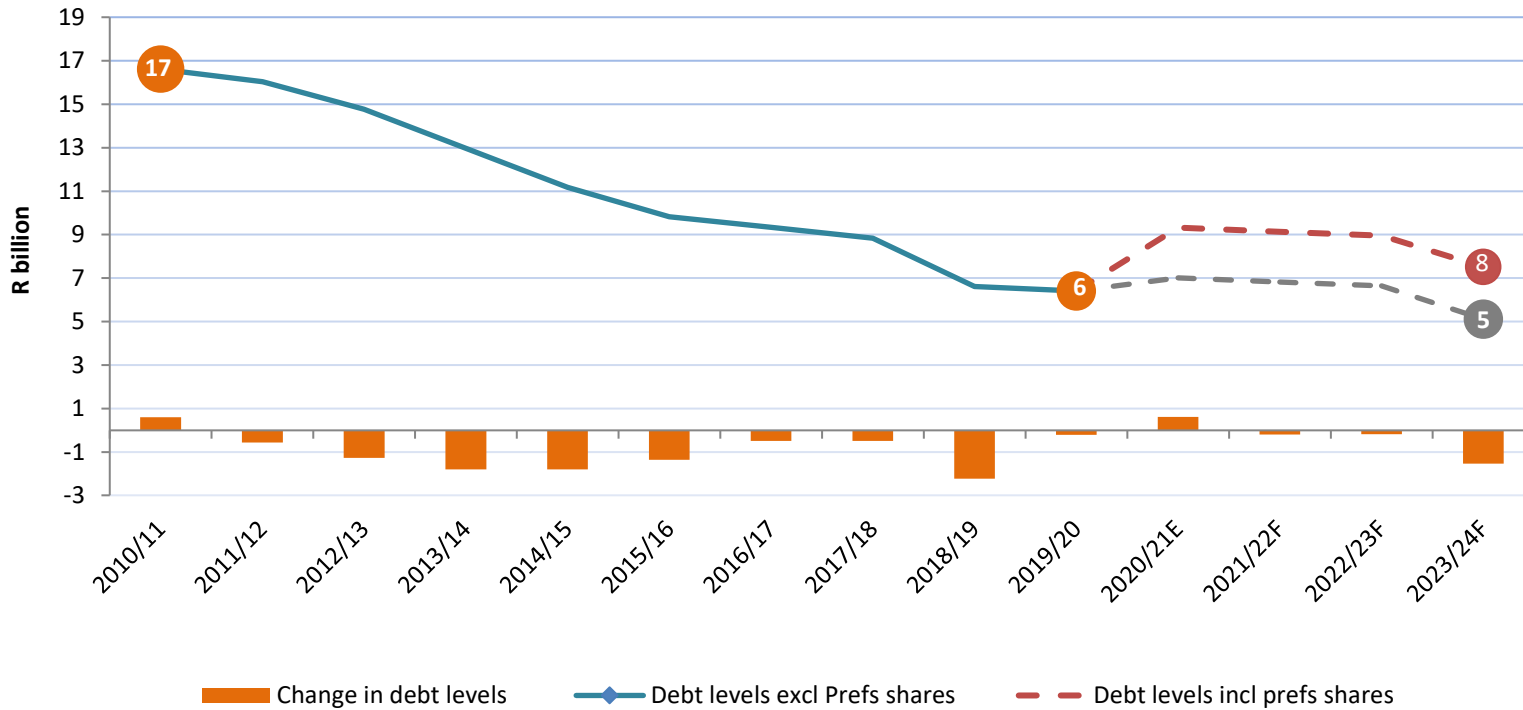
- The budget in 2022 reflects committed projects only, reducing the capital allocation in 2023 to only R881 million (to also accommodate the 2021 over-expenditure)
- The exposure in 2021 is actively being addressed – latest forecasts indicate a R15 million over-expenditure only

KING SHAKA INTERNATIONAL

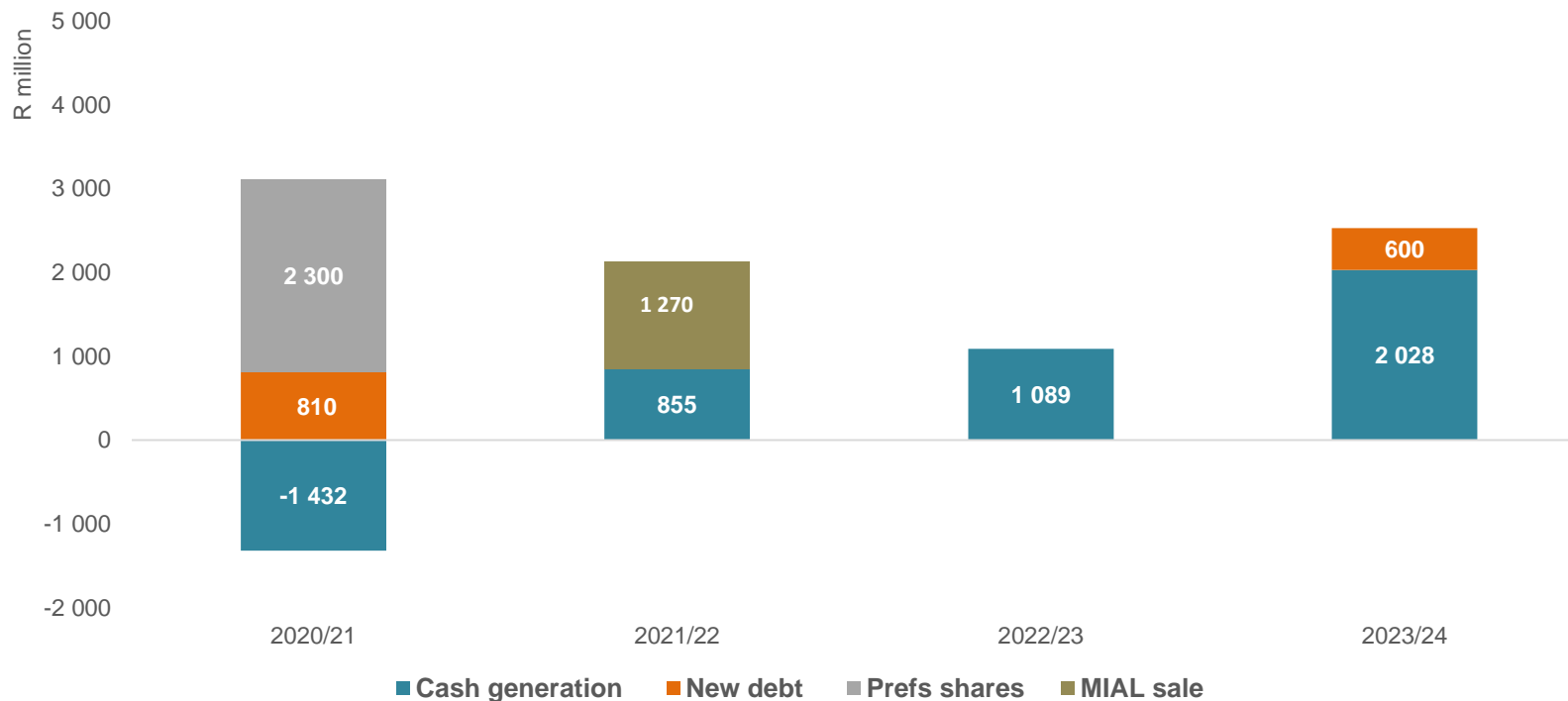
9. FUNDING PLAN

DEBT EVOLUTION

- Debt excluding preference shares to decrease to R5 billion by end of 2023/24
- Debt including preference shares to peak at R9 billion before declining to R8 billion



ADDITIONAL BORROWINGS OF R600 MILLION WILL BE REQUIRED OVER THE CORPORATE PLAN PERIOD (PREVIOUSLY R4.1 BILLION)



Proceeds from the MIAL sale and the Preference Shares issuance forecast for 2020/21 provide for adequate funding in the first two years of the Corporate Plan

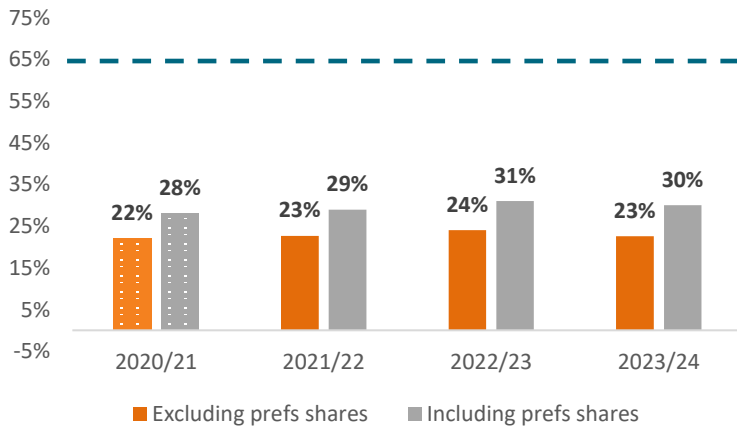
Rationale for preference shares

- Covid-19 pandemic has had a negative impact on the company adversely affecting liquidity position
- To navigate liquidity challenges ACSA approached shareholders for support
 - Government allocated R2.3 billion in the Second Adjustments Appropriation Act, 2020

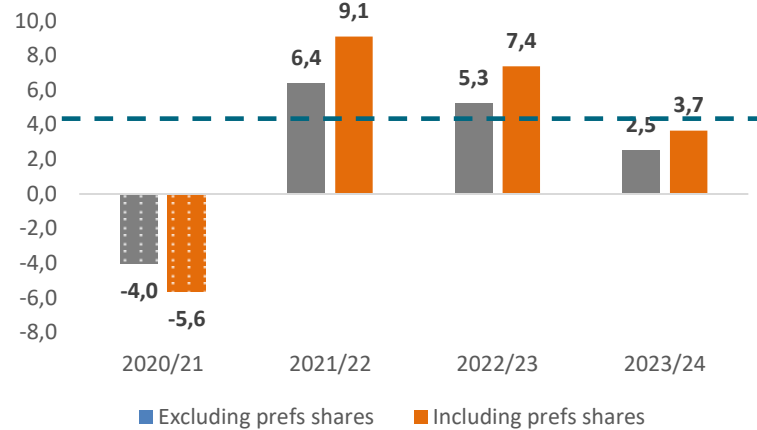
Key rationale for the proposed structure

- It does not prejudice or dilute any shareholders who opt not to follow their rights in relation to this issuance
- Instrument subordinated to ACSA's existing senior debt
- The instrument is long-dated with the ability to roll-up dividends which allows the business sufficient space to recover while also guaranteeing shareholders a return on their investment
- Proposed structure is expected to be positive from a rating agency perspective and for lenders' requirements

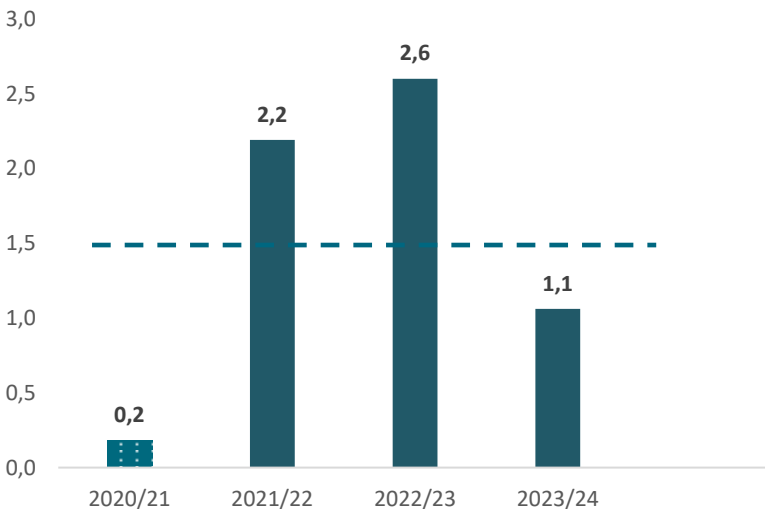
Net Debt To Capitalisation (Below 65%)



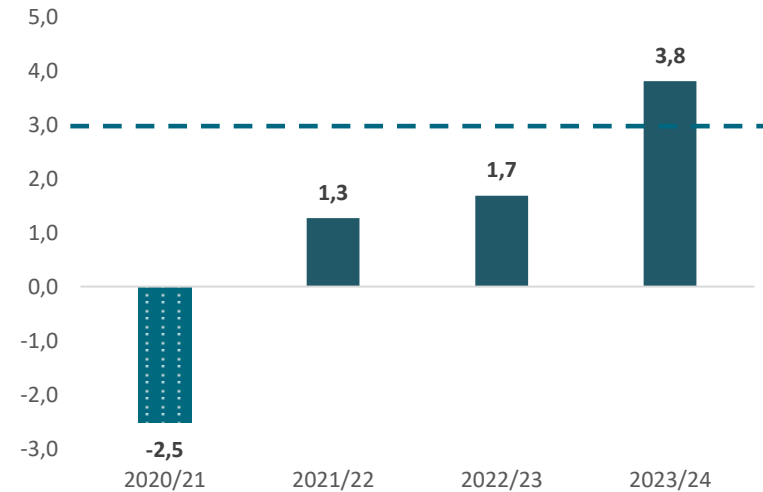
Net Debt to EBITDA Ratio (Below 4x)



DSCR Ratio by Available Cash (Above 1.5x)



EBITDA Interest Cover Ratio (Above 3x)





Cape Town International Airport

10. MONETISATION OF INVESTMENT PORTFOLIO

MIAL

- On 23 August 2020, an indicative offer was received from Adani
- 10% Equity stake in MIAL sold for an offer price of INR6.75 billion
- Proceeds of R1.27 billion (net of tax)
- Operator guarantee of INR3 billion to be withdrawn

GRU

- On 10 August 2020, a non-binding offer was received from Invepar.
- The offer is under consideration.

Objective

- Liquidity enhancement through the extraction of equity within non-core assets, specifically the investment property portfolio

Key dependency

- Inclusion of gain-sharing within the regulatory approach for the 2022 to 2026 permission

Portfolios for consideration:

- Logistics assets
- Hotels
- Fuel stations
- Cargo assets



BRAM FISCHER INTERNATIONAL

11. CONCLUSION

- Secured funding to bolster liquidity and strengthen financial position
- On track to achieve revised financial plan targets
 - Capex allocation of R810 million
 - Total Opex reduction of R1.2 billion
- Finalise issuance of preference shares to existing shareholders
- Implement the Corporate Plan (2022 to 2024)
 - Expenditure limits for both operating expenses and capital expenditure remain in place
 - Capex limited to less than R1 billion
 - The disposal of MIAL and the issuance of the Preference Shares allows for adequate funding with additional funding of R600 million required in 2023/24



QUESTIONS

Departures						14:37
Flight	Destination	Time	Gate	Status	New Time	
HR660	Seychelles	15:58	011	Closed		
SR028	Harare	14:55	001	Final Call		
SR060	Lusaka	15:55	001	Closed		
SR0062	Nassau	15:55	001	Closed		
EP236	Gaborone	15:55	001	Closed		
SR1775	Gaborone	15:55	001	Closed		
FR9336	Harare	15:55	001	Closed		
SR0086	Nanzini - King	16:05	029	Closed		
SR8156	Ndola	16:05	027	Closed		
SR9164	Lusaka	16:05	019	Closed		
SR8182	Harare	16:05	001	Closed		
DT579	Luanda	16:05	001	Closed		
SR256	Hong Kong	16:05	001	Closed		
SR0459	Gaborone	16:05	001	Closed		
K9763	Nairobi	17:00	016	Closed		
TK043	Istanbul	18:10	005	Closed		

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