DRIVING NEW FRONTIERS FOR SUSTAINABLE GROWTH
FOOTPRINT

GHANA
KOTOKA INTERNATIONAL AIRPORT IN ACCRA
(Technical advisory and consulting services)

BRAZIL
GUARULHOS INTERNATIONAL AIRPORT IN SÃO PAULO
(Equity investment)

SOUTH AFRICA
TOTAL ANNUAL DEPARTING PASSENGERS
19 374 329
AIRCRAFT LANDINGS
284 285
TOTAL PERMANENT EMPLOYEES
2 841

INDIA
CHHATRAPATI SHIVAJI INTERNATIONAL AIRPORT IN MUMBAI
(Equity investment)
VISION 2025

TO BE THE MOST SOUGHT-AFTER PARTNER IN THE WORLD FOR THE PROVISION OF SUSTAINABLE AIRPORT MANAGEMENT SOLUTIONS BY 2025

RUN AIRPORTS

DEVELOP AIRPORTS

GROW OUR FOOTPRINT
SUSTAINABILITY FRAMEWORK

People and Society
Broad-based social inclusion and deracialisation of the economy

Business
Economic Growth

Environment
Environmental Sustainability

Our Decisions and Actions
Sustainability Framework
FIVE BUILDING BLOCKS FOR SUCCESS

1. OUR GOVERNANCE FRAMEWORK AND OPERATING MODEL
2. BUSINESS DIGITISATION
3. ENVIRONMENTAL SUSTAINABILITY FRAMEWORK
4. SUPPLY CHAIN MANAGEMENT EVOLUTION
5. ECONOMIC TRANSFORMATION FRAMEWORK
ECONOMIC REGULATORY REVIEW

- Limited progress made since the publication of the Draft Amendment Bill
  - Amendment to primary legislation to introduce a merit-based appeals mechanism was not finalised in time for the 2015/16 to 2019/20 Permission
- Pre-funding remains absent from the funding model

FINAL PERMISSION DECISION 2016 – 2020

<table>
<thead>
<tr>
<th>Agreements with the Economic Regulator</th>
<th>To be resolved</th>
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<tbody>
<tr>
<td>Sharing of proceeds of a land sale transaction</td>
<td>Explicit disallowance of projects</td>
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<td>Smoothing of revenue over permission period</td>
<td>Direct adjustment to OPEX forecast</td>
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<td>Reasonable efficiency factors</td>
<td></td>
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<tr>
<td>Ring-fencing of share investments</td>
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<tbody>
<tr>
<td>Permission Application</td>
<td>-7.50%</td>
<td>-7.50%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Corporate Plan</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-35.5%</td>
<td>5.8%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>
Claw-backs that would have been effective in 2015/16 were postponed (and compounded) to 2017/18 by the delay to the Permission.
TOTAL ASSETS VS RAB

Difference between RAB & Total Fixed Assets attributable to the following:
  › Work in progress
  › Assets restatement due to IFRS
FINANCIAL PLAN
KEY FINANCIAL HIGHLIGHTS – 2015/16FY

- **Revenue**: R8.3BN (2015: R7.8BN), +6.8%
- **Total Assets**: R29.9BN (2015: R28.5BN), +4.9%
- **EBITDA**: R5.2BN (2015: R4.8BN), +7.1%
- **Total Liabilities**: R12.7BN (2015: R13.7BN), -6.8%
- **Capital Expenditure**: R1.3BN (2015: R830M), +59.0%
- **Profit After Taxation**: R1.96BN (2015: R1.63BN), +20.3%
- **Aircraft Landings**: 284K (2015: 273K), +4.0%
- **Departing Passengers**: 19.4M (2015: 17.8M), +8.6%
PROJECTED FINANCIAL INDICATORS

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue (R million)</th>
<th>EBITDA (R million)</th>
<th>Cash Generated (R million)</th>
<th>Net Profit (R million)</th>
<th>Return on Equity (%)</th>
<th>Return on Capital Employed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8 647</td>
<td>4 964</td>
<td>1 949</td>
<td>815</td>
<td>10.4%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>2018</td>
<td>7 042</td>
<td>3 062</td>
<td>2 915</td>
<td>1 044</td>
<td>5.1%</td>
<td>4.2%</td>
</tr>
<tr>
<td>2019</td>
<td>7 703</td>
<td>3 357</td>
<td>3 237</td>
<td>1 044</td>
<td>5.9%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2020</td>
<td>8 448</td>
<td>3 840</td>
<td>2 835</td>
<td>1 502</td>
<td>6.9%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>
Total revenue is based on the total revenue allowance as permitted by the economic regulator.
NON-AERONAUTICAL REVENUE

Growth in international passengers at Cape Town International Airport reduced the yield per passenger for retail revenue in the 2016/17 forecast.
The Group continues to focus on sustainable cost reductions within the context of the strategic focus areas

Some regulated charges continue to increase at a rate above inflation
2018 to 2020 Capex Budget amounts to R4.9 billion
MAJOR PROJECTS

- Cargo warehouse and office refurbishment - 2018
- Terminal A refurbishment and redevelopment - 2020
- Remote apron stands - 2023

- New domestic arrivals Terminal - 2020
- New runway realignment – 2021
- Aircraft parking stands - 2023

- Apron stands and bravo taxiway extension - 2020

* Please refer to annexures for detailed major projects
- **Capex & debt redemptions** to be funded by cash carried forward plus cash generated.
- **Debt redemptions** total R2.9 billion.
- **Refinancing requirements considerations**:
  - AIR01 fixed rate bonds and AIRL01 inflation linked bonds.
KEY CREDIT METRICS

EBITDA INTEREST COVER RATIO (ABOVE 3X)

NET DEBT TO EBITDA RATIO (BELOW 4X)

NET DEBT/CAPITALIZATION (BELOW 65%)

DSCR RATIO BY AVAILABLE CASH (ABOVE 1.5X)
KEY TAKEOUTS

- Strategy that is aimed at long term sustainable value creation
- Continuously improving the passenger experience
- Identifying and securing new business opportunities
- Strengthening reputation and continuing to build win-win partnerships with our stakeholders
- Managing and developing a high performance team
- Moving towards a digitized business
- Accelerating sustainability and transformation programmes
- Reducing environmental impact
ANNEXURE:

MAJOR PROJECTS
A. ORTIA

TERMINAL A REFURBISHMENT

BUSSING GATES

ADDITIONAL BAGGAGE CAROUSEL IN TERMINAL A

RAS
B. CTIA

**CTIA RUNWAY**

- New Realigned Runway
- Existing Runway

**DOMESTIC ARRIVALS**

- New Domestic Arrivals

**CTIA APRONS**

**TERMINAL 2**

- Terminal 2
C. KSIA

BRAVO TAXIWAY EXTENSION

APRON STANDS
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