



### ATNS Organisational Profile

STATE-OWNED COMPANY (SOC) – ATNS COMPANY ACT (ACT 45 OF 1993)	SHAREHOLDING: Minister of Transport Department of Transport (DoT)	 <p>transport Department. Transport REPUBLIC OF SOUTH AFRICA</p>
Provision of Air Traffic Management Solutions and associated services on behalf of state	Services in line with ICAO standards and recommended practices; SACAA CATS & CARS.	



## Governance



### State-Owned Company Governance:

- Shareholder's Compact concluded as per Section 52 of PFMA
- ATNS Corporate Plan timeously submitted and approved by Shareholder
- ATNS KPIs submitted quarterly



### Ethical Leadership and Corporate Citizenship

- Highest moral and ethical standards



### King III Code Compliance

- ATNS committed to complying in all material respects with principles in King III Code.
- ATNS in 2016/17 FY, has complied with most aspects of code.



## ATNS Mandate

ATNS was incorporated in 1993 in terms of ATNS Company Act, Act 45 of 1993.

The Act mandates ATNS to provide Air Traffic Management Solutions and associated services on behalf of the State in accordance with ICAO Standards, recommended practice as well as the South African Regulations and Technical Standards.



## ATNS Vision & Mission

### OUR VISION

To be the preferred supplier of air traffic management solutions and associated services to the African continent and selected international markets

### OUR MISSION

To provide safe, expeditious and efficient air traffic management solutions



## ATNS Values


- Safety
- Accountability
- Customer Satisfaction
- Fairness & consistency
- Continuous Improvement & Innovation
- Open and effective communication
- Employee engagement and development



### ATNS Strategic Imperatives

Represent ATNS' broad-based strategic outcomes that the company wishes to achieve as a result of its existence and objectives.

- Deliver continuous improvement of our safety performance
- Become a transformative organisation that invests in its people
- Provide efficient air traffic management solutions and associated services that meet the needs and expectations of the ATM community
- Maintain long-term financial sustainability
- Play a leading role in the deployment of air traffic management in Africa and selected international markets
- Deploy and use leading technologies to the benefit of the ATM community




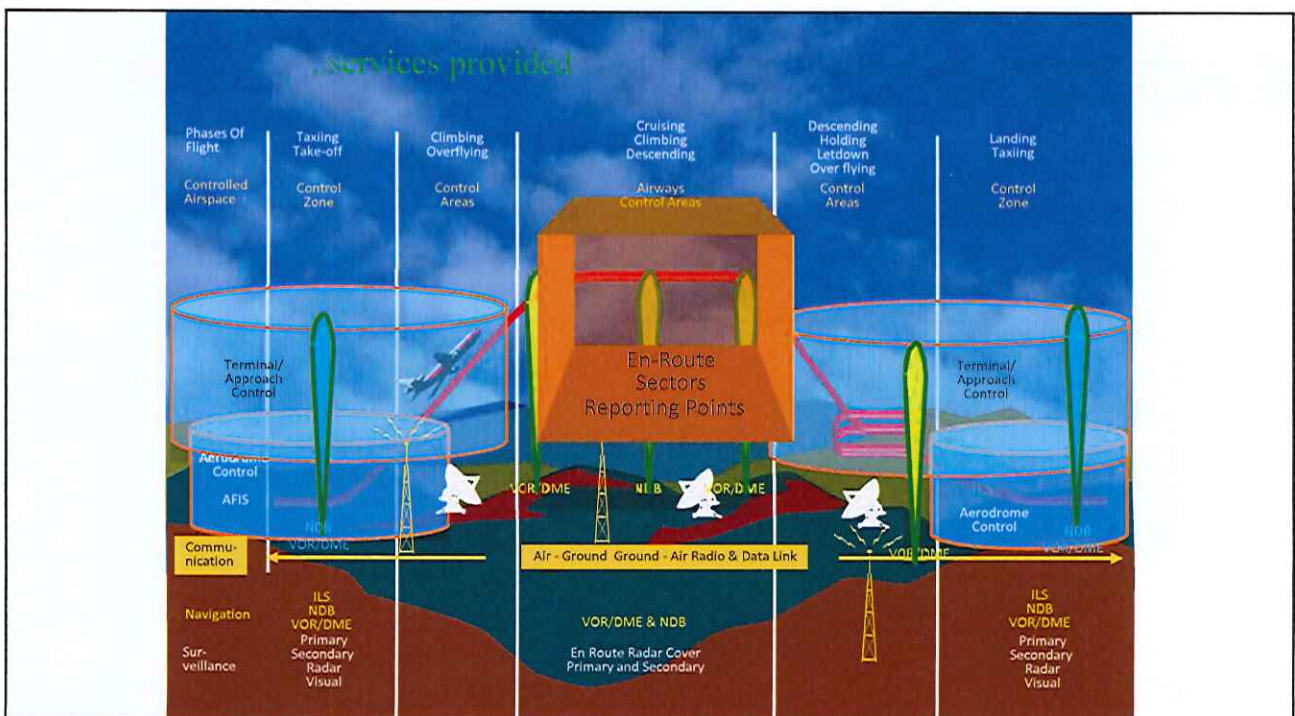
### ATNS Strategic Imperatives

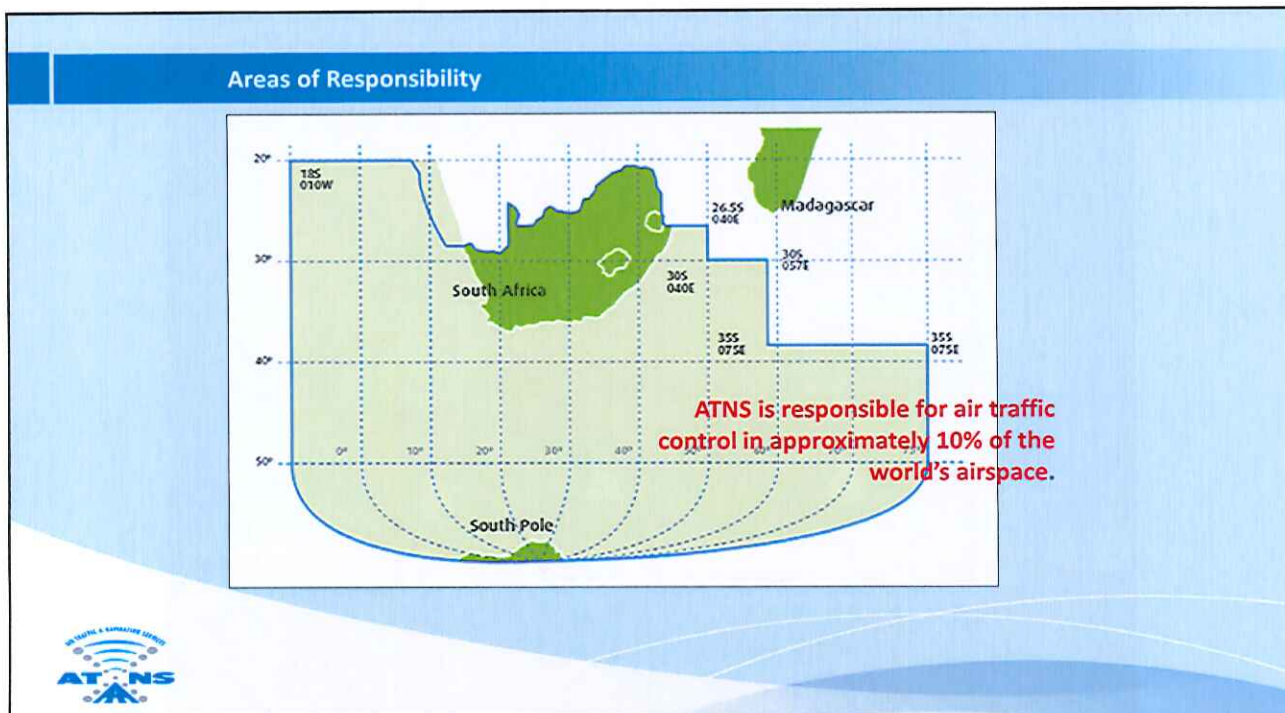
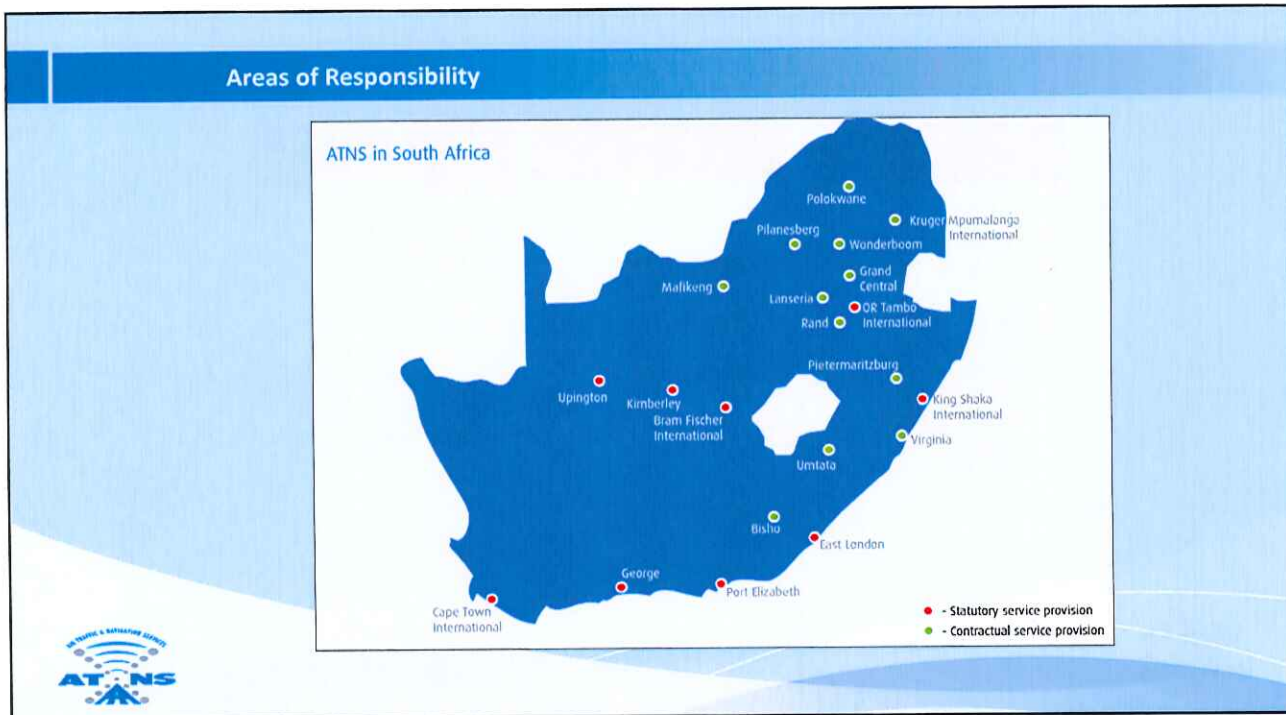
		
<p>SA Government 14 National Outcomes (MTPF 2019)</p>	<p>Agenda 2063</p>	<p>ICAO Frameworks and Plans (GANP)</p>
<p><b>Economic Sustainability:</b></p> <ul style="list-style-type: none"> <li>* Financial sustainability</li> <li>* Enhance operational efficiencies</li> <li>* Develop leadership capability in Africa ATM space</li> </ul>	<p><b>Social Sustainability</b></p> <ul style="list-style-type: none"> <li>* Create a transformative organisation</li> <li>* Build a culture of safety</li> <li>* Build a skilled &amp; capable employee resource base</li> </ul>	<p><b>Environmental Sustainability</b></p> <ul style="list-style-type: none"> <li>* Manage ATNS' contribution to climate change</li> <li>* Manage and preserve scarce resources and vulnerable resources</li> <li>* Environmental awareness</li> </ul>

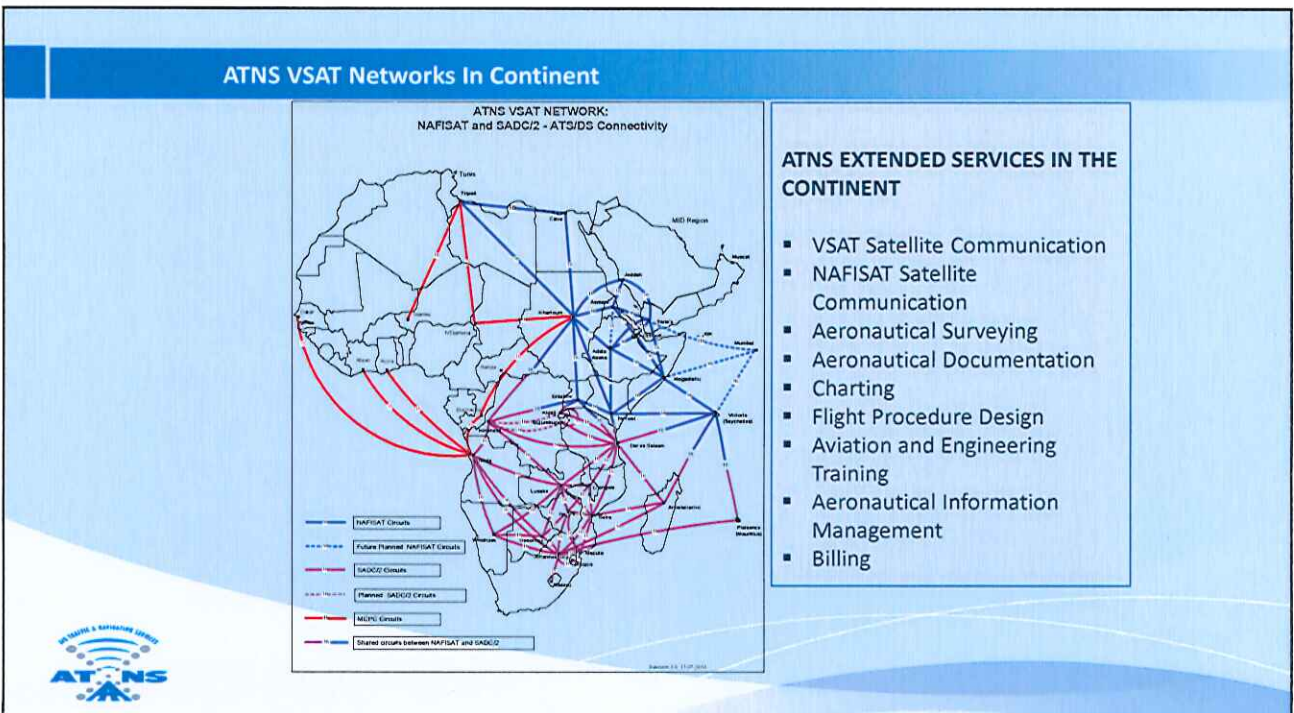
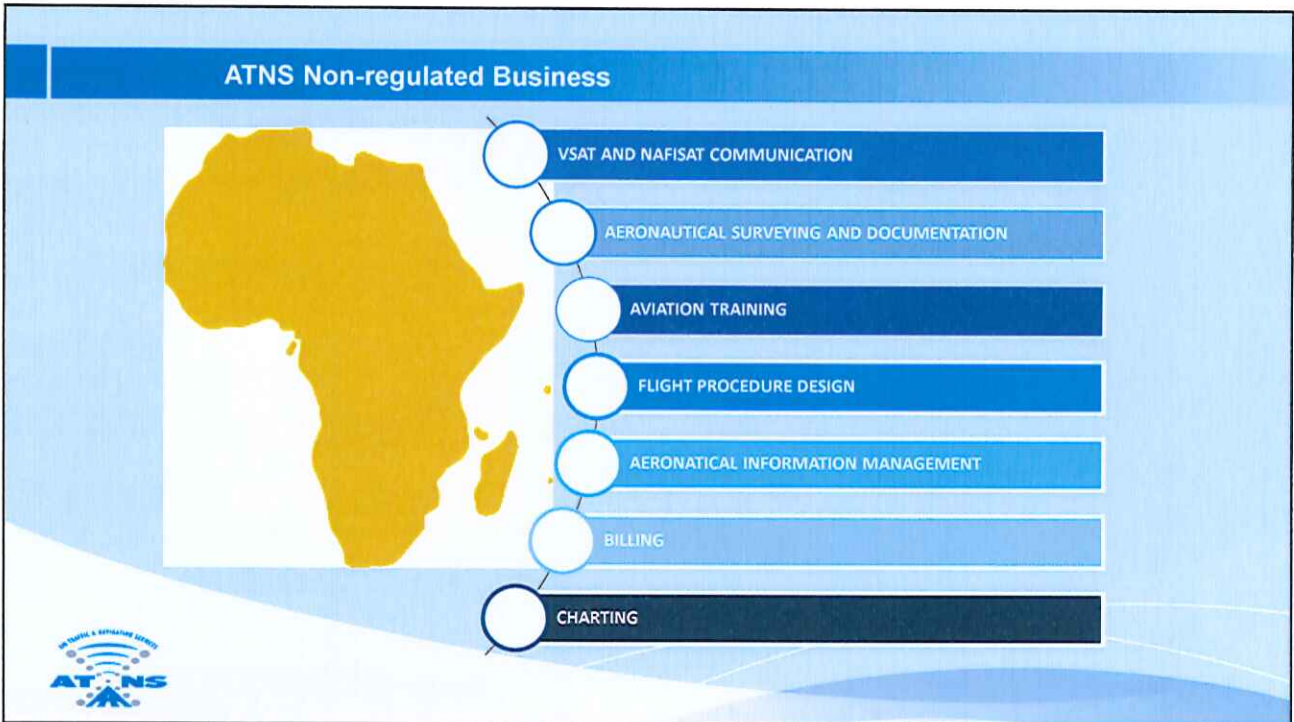


## ATNS Business

AIR TRAFFIC SERVICES	AIR NAVIGATION INFRASTRUCTURE	TRAINING INSTITUTION
Gate to gate Air Traffic Services – South Africa  Auxiliary Services: <ul style="list-style-type: none"> <li>Aeronautical Information Publications,</li> <li>Flight Procedure Design,</li> <li>Aeronautical surveys</li> </ul>	<ul style="list-style-type: none"> <li>Communication</li> <li>Navigation</li> <li>Surveillance</li> </ul>	Aviation Training Academy  ISO9001:2008 accredited World-renowned academy – recognised as IATA Top Regional Training Partner





### Contribution Toward Nine-point Plan

**Nine-point Plan # 1**

**Resolving the energy challenge**

ATNS has embarked on Energy-efficiency programmes at its Corporate office, Training Academy and Control centres that would result in savings of energy.

The Energy efficient programme also contributes towards the DoT KPI & Governmental outcome to foster Environmental assets and natural resources that are well protected and continually enhanced.

**Nine-point Plan # 7**

**Unlocking the potential of SMMEs,**

ATNS continues to unlock potential SMMEs particularly black companies by introducing them to partner with big OEMs in our CAPEX projects/programmes..


ATNS has established a policy that ensures no late or non-payment of suppliers. The company strives that invoices are paid within 30 days.

**Nine-point Plan # 8**

**State reform and Boosting the role of state-owned companies, information and communication technology infrastructure and broadband roll-out, and transport infrastructure**


ATNS plans to spend a total of R 756m on its CAPEX programme from 2015 – 2020 to improve its Communication, Navigation, Surveillance & technology infrastructure.

The ATM road map would ensure essential operational changes which brings together performance and technology to ensure safe African Sky.



### ATNS Strategy Linkage Government Outcome


NATIONAL DEVELOPMENT PLAN	DOT GOVERNMENTAL OUTCOME	ATNS STRATEGIC IMPERATIVES
Establish effective, <u>safe</u> and affordable Public transport	A transport sector that is <u>safe</u>	Deliver continuous improvement of our <u>safety performance</u>
Establish a competitive base of <u>infrastructure</u> , human resources and regulatory frameworks	An efficient and integrated transport infrastructure network for social and economic development	Maintain long-term <u>financial sustainability</u>  Provide efficient air traffic management solutions and associated services that meet the needs and expectations of the ATM community





### ATNS Strategy Linkage Government Outcome




NATIONAL DEVELOPMENT PLAN	DOT GOVERNMENTAL OUTCOME	ATNS STRATEGIC IMPERATIVES
Produce sufficient <u>energy</u> to support industry at competitive prices, ensuring access for poor households, while reducing <u>carbon emissions</u> per unit of power by about one-third	An increased contribution of transport to <u>environmental sustainability</u>	Deploy and use <u>leading technologies</u> to the benefit of the ATM community  Play a leading role in the deployment of air traffic management in <u>Africa</u> and selected international markets
Increase employment from 13 million in 2010 to 24 million in 2030.  Ensure that <u>skilled, technical, professional and managerial posts</u> better reflect the country's racial, gender and disability makeup	An increased contribution to <u>job creation</u>	Become a <u>transformative organisation</u> that invests in its people




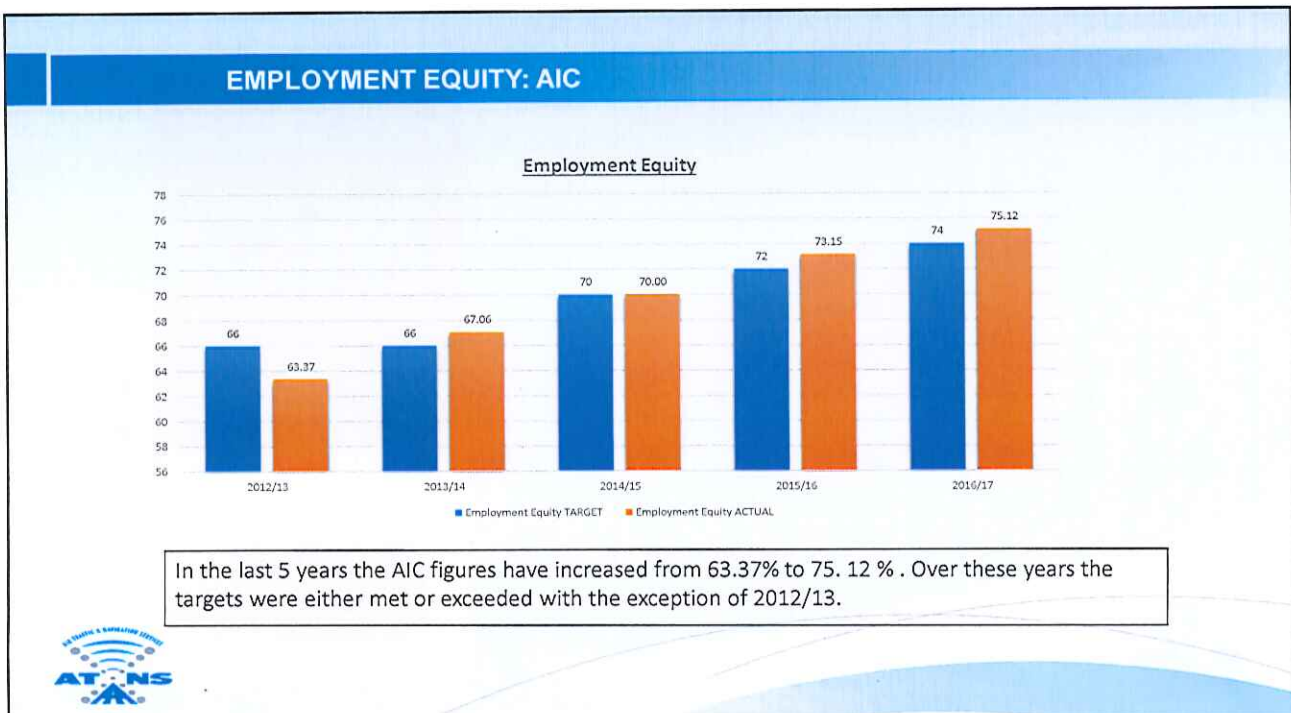
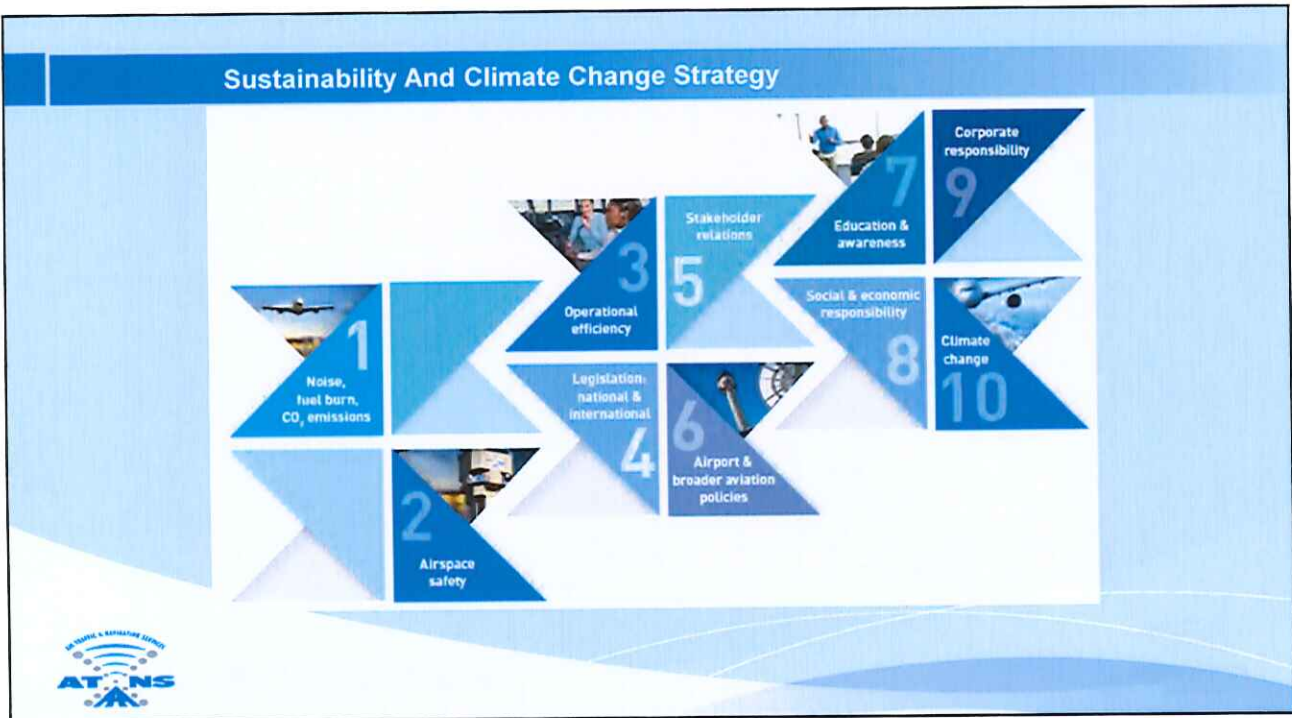
### Corporate Social Investment (CSI)-NEW AND LATEST PICTURES

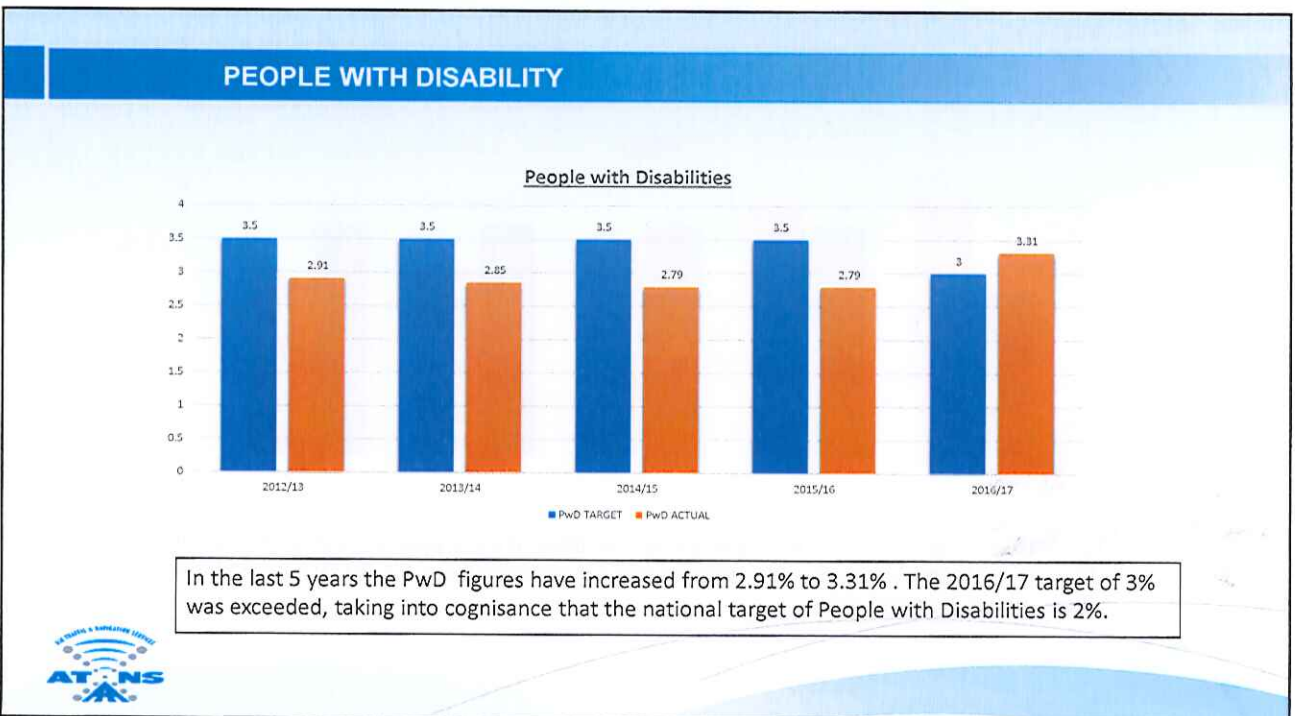
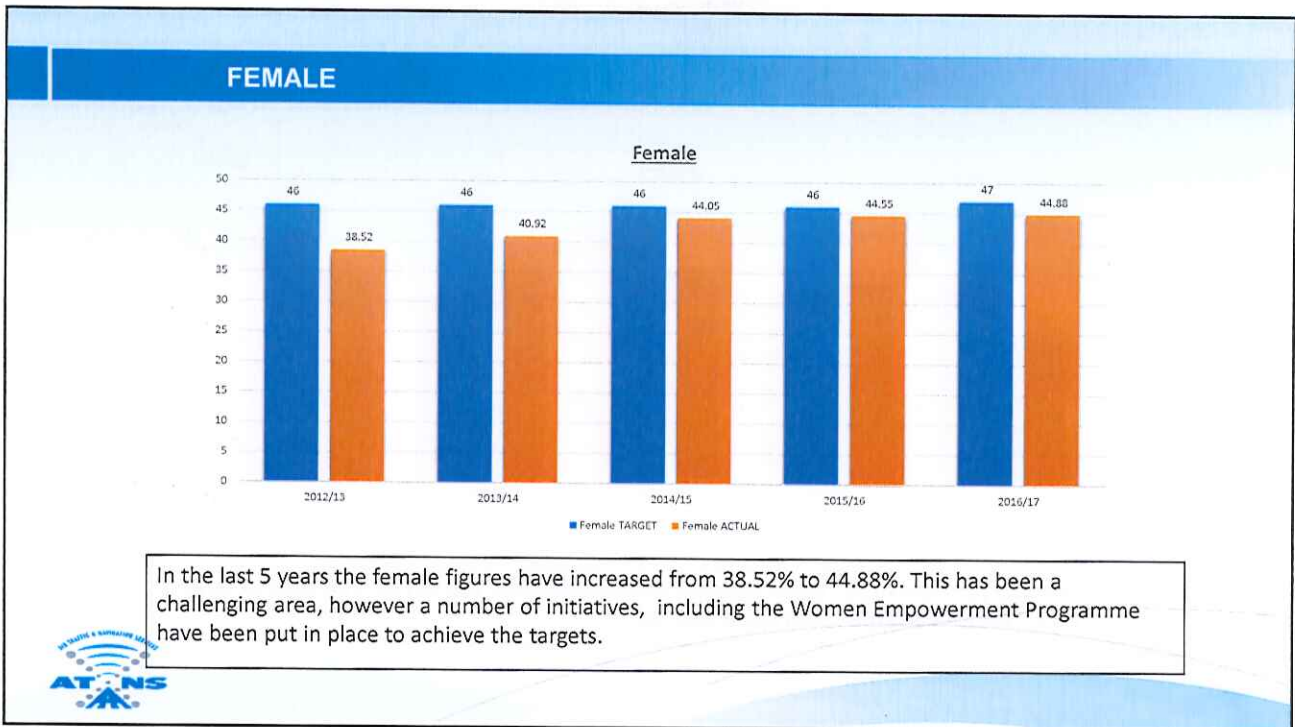
ATNS continues to roll-out its projects in different provinces

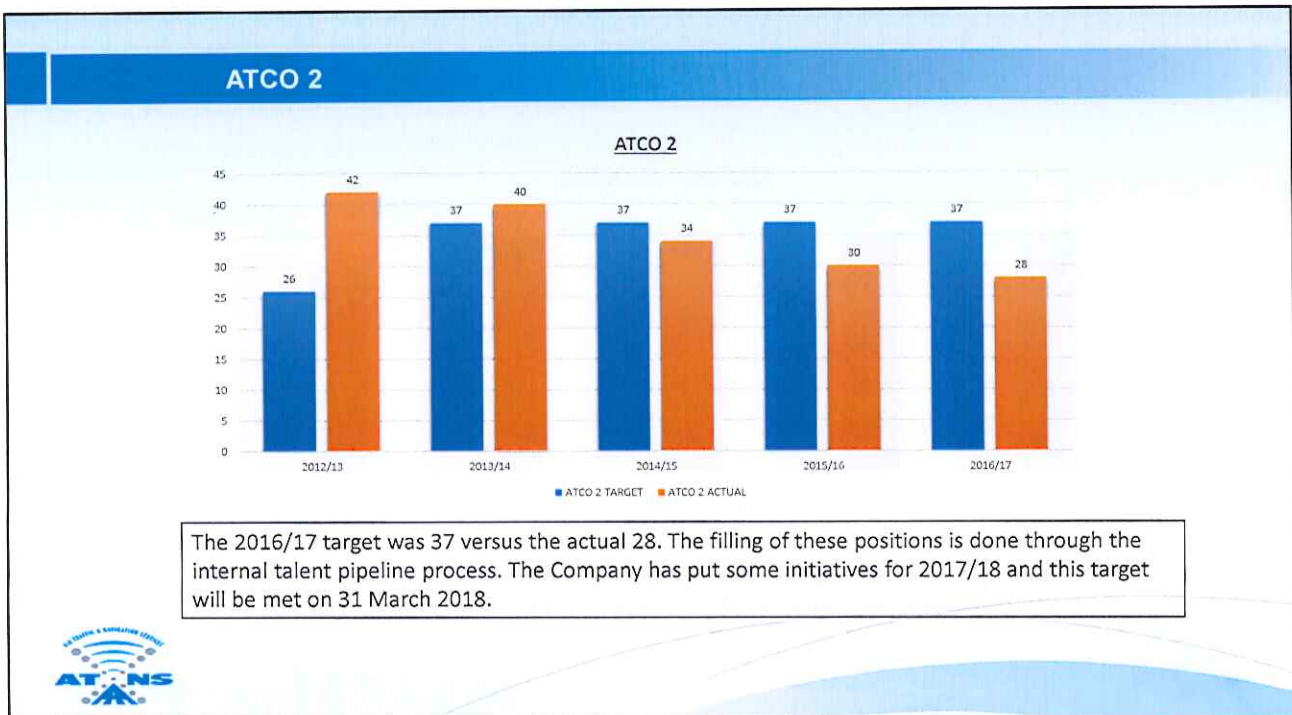
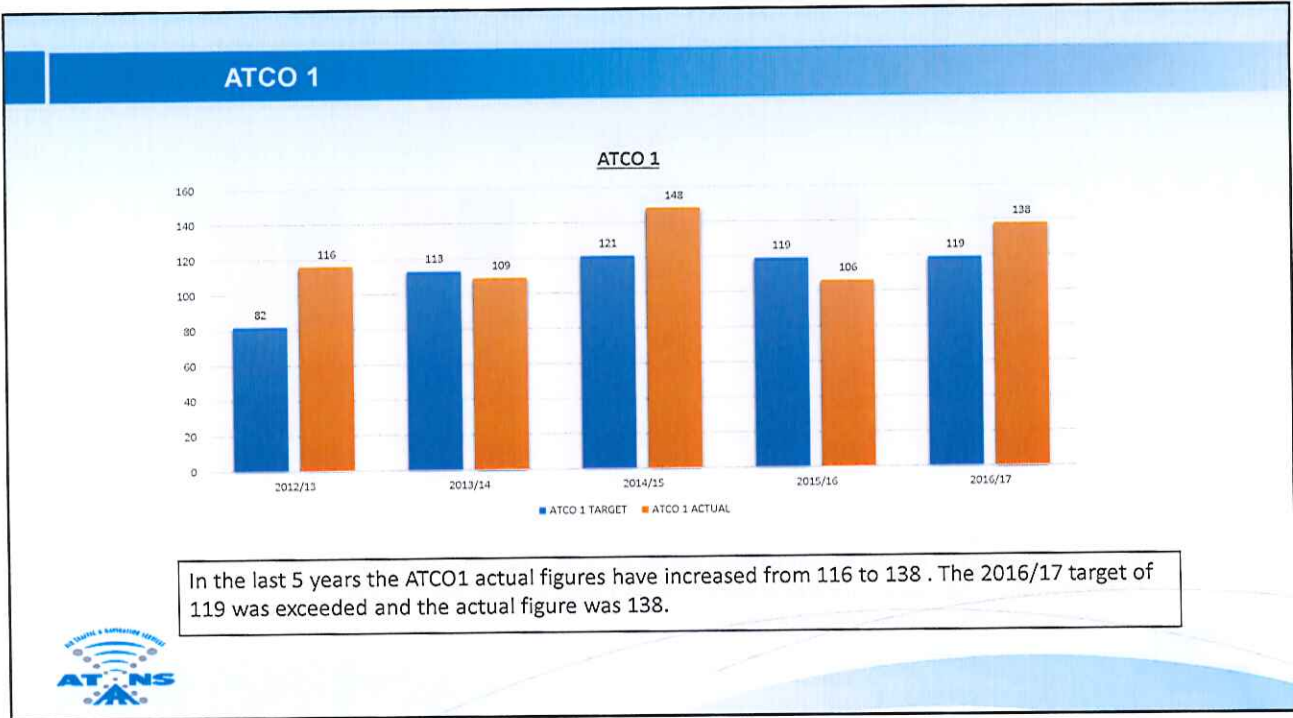
- Science and laboratories and computers will be donated to identified schools in Free State, Western Cape and KZN provinces
- Learner and Educator support development program will be run in the Eastern Cape School
- Matric Winter School, fully sponsored by ATNS took place in Free State, Ventersburg (science and maths classes) for various schools in the region
- For career awareness, ATNS is procuring a vehicle with 3D simulator, resourced with Air Traffic Control tool. This will go around the country.

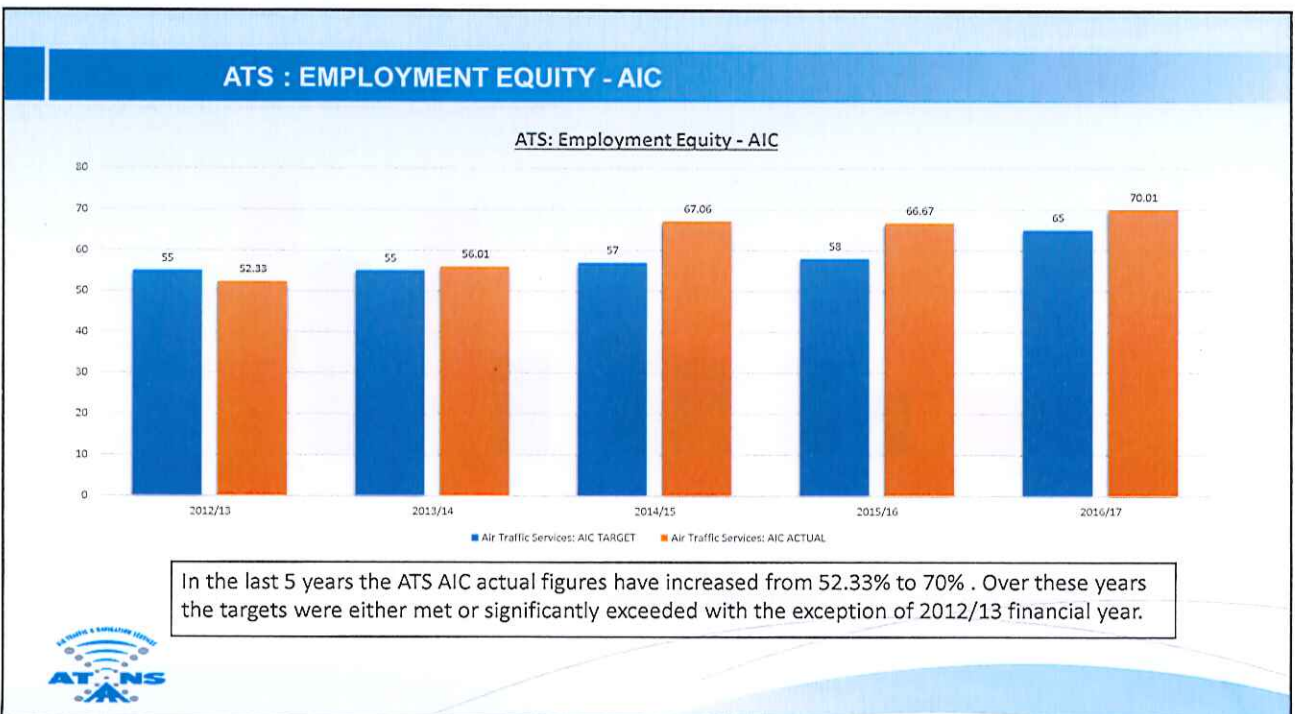
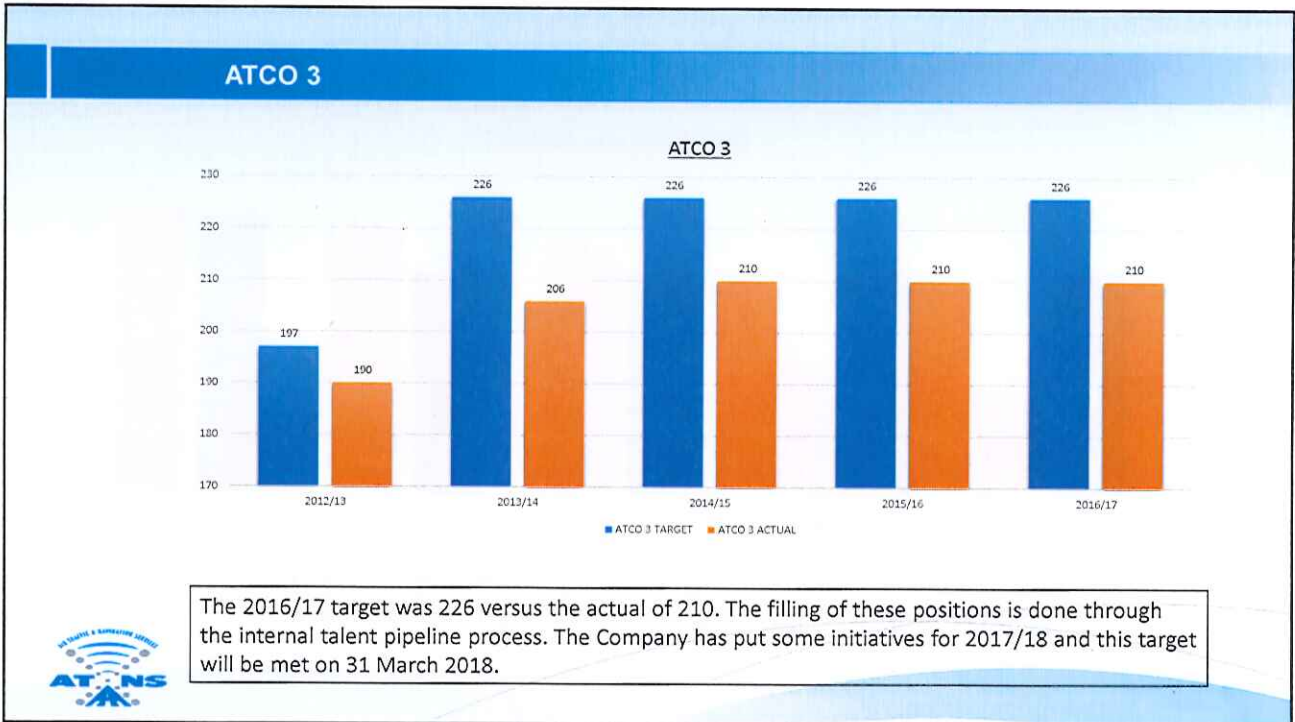




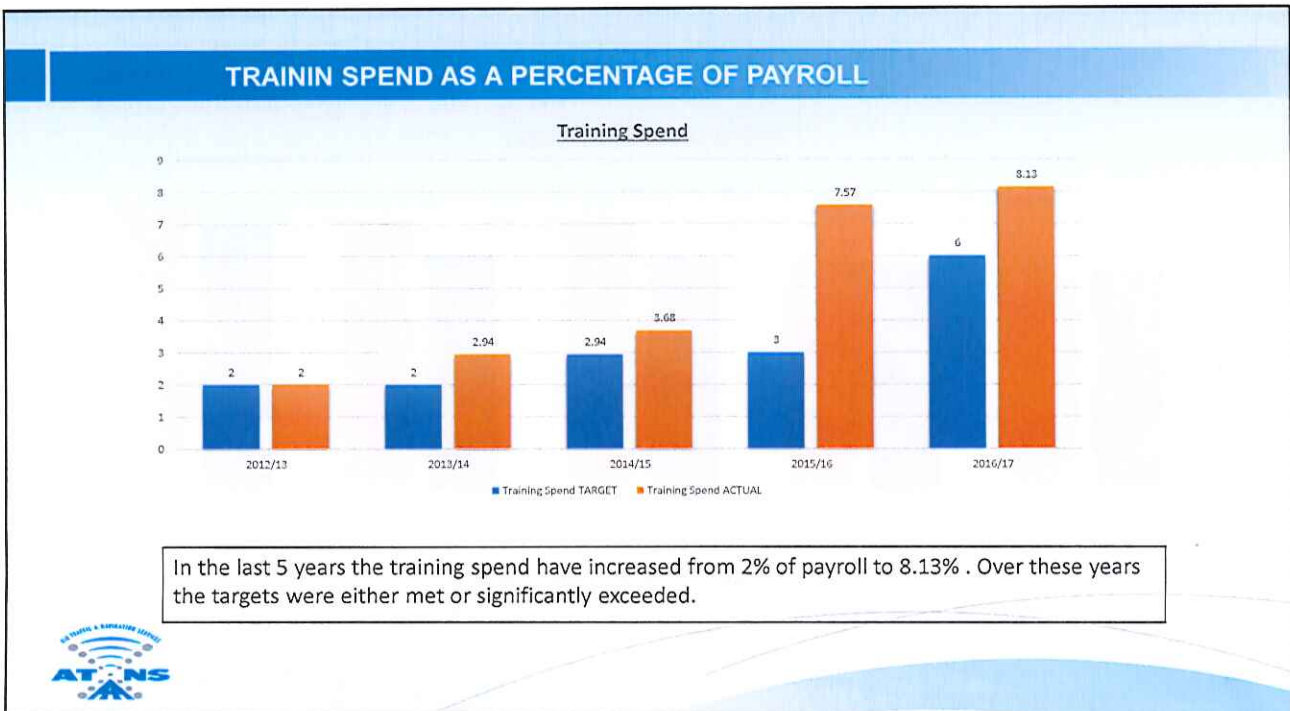
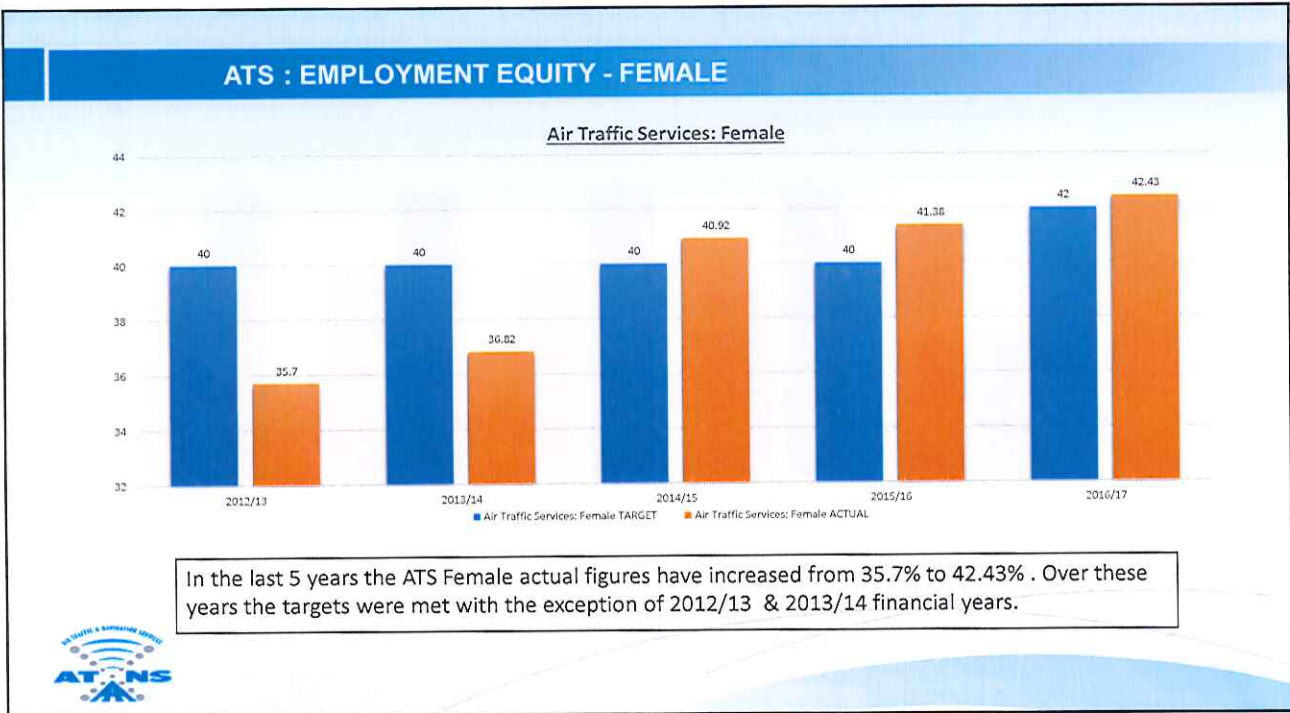












**KEY ACHIEVEMENTS SO FAR .....**

- The successful implementation of the Human Resources Business Partnering Model (HRBP)
- The ATNS Competency Model (Leadership, Generic, Technical & Core )
- The implementation of Talent Management including Succession Management for Leadership & critical positions
- Performance Management Review & Scorecard alignment
- Transformation Strategy (Women Empowerment Programme, Youth and People with Disability Programme)
  - Seconding women as co-opted members of the Executive
  - Leadership Programmes targeting Women
  - Targeted employment for women at Management and Senior Management
  - ATS Bursary Programme & Engineering Programme, Tertiary Bursary Programme targeting youth from Rural areas, PwD Learnership Programme, Techno-Girl Programme, Child of Employee Bursary Programme & Graduate Programme, ABET Programme




**A GOOD STORY TO TELL :ATNS ATA**



**ATNS ATA STRATEGIC INITIATIVE**


**REGISTRATION AND ACCREDITATION-COUNCIL FOR HIGHER EDUCATION**


- **Conferring of CHE accredited vocational/professional qualifications to ATS personnel**
- **Addresses the mandates entrenched in :**
  - **National development Plan**
  - **The Human Resource Development Strategy for South Africa**
  - **National Skills Development Strategy III****by improving the quality of education, skills development and innovation and thus providing a stronger employability platform for students**
- **Requires Minister of Transport to support the declaration of the Aviation Training Academy as a Public College by the Minister of Higher Education & Training- The declaration pack is on the way.**





**PROGRESS FOR 2017/18, SO FAR .....**


- **Top Employer South Africa Certification 2018**


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- **As at end of September Employment Equity status is as follows :**
  - AIC Actuals : 76.90% versus 75% target (target already exceeded)**
  - Females actuals : 46.17% versus 48% target**
  - ATS AIC Actuals : 72.35 % versus 69% targets (target already exceeded)**
  - ATS Females : 44.70% versus 43% targets (target already exceeded)**
  - PwD actuals : 3.22% actual versus 3.30 target**
  - Acceleration of Transformation initiatives : Women Empowerment Programme, Youth & People with Disabilities**





RECENT ACCOLADES .....

SA Board of People Practices (SABPP)



Top Employer South Africa Certification 2018



STATEMENT OF FINANCIAL PERFORMANCE

Description	2017	2016
	R	R
Revenue	1,556,447,125	1,508,631,339
Foreign exchange gains/(Losses)	(13,705,614)	42,533,841
Depreciation	(91,627,471)	(91,668,747)
Amortisation on intangible assets	(22,363,875)	(16,241,646)
Staff Costs	(816,546,505)	(754,329,324)
Other expenses	(377,584,839)	(394,269,315)
<b>Operating profit</b>	<b>234,618,821</b>	<b>294,656,148</b>
Finance revenue	83,383,250	54,638,632
Finance costs	(221,954)	(711,544)
<b>Profit before taxation</b>	<b>317,780,117</b>	<b>348,583,236</b>
Income tax expense	(89,475,292)	(105,441,229)
<b>Profit for the year</b>	<b>228,304,825</b>	<b>243,142,007</b>
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year, net of tax</b>	<b>228,304,825</b>	<b>243,142,007</b>



## STATEMENT OF FINANCIAL POSITION

Description	2017	2016
	R	R
<b>ASSETS</b>		
Non-Current Assets	1,178,776,613	972,490,771
Current Assets	1,541,571,616	1,464,181,155
<b>TOTAL ASSETS</b>	<b>2,720,348,229</b>	<b>2,436,671,926</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	2,381,266,312	2,152,961,487
<b>LIABILITIES</b>		
Non-Current Liabilities	45,509,008	52,510,815
Current Liabilities	293,572,909	231,199,624
<b>TOTAL LIABILITIES</b>	<b>339,081,917</b>	<b>283,710,439</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,720,348,229</b>	<b>2,436,671,926</b>



## FINANCIAL PERFORMANCE REVIEW: BACKGROUND

- Revenue (Increase of R49m: 3.3%)
  - Increase in Regulated business (R34m) despite a decline in billable movements of 0.7%
  - Increase in Other revenue (R15) due to:
    - ✓ External training;
    - ✓ Small aerodrome;
    - ✓ VSAT Networks; and
    - ✓ AIS services
- Operational expenditure (Increase of R109m : 9.8%)
  - Salaries (R62m : 8%)
  - Travelling (R9m: 21%)
  - Telecommunication (R3m : 6%)
  - Foreign exchange loss (R13m: A gain of R42m was recorded in 2015/16)
- Net Profit After Tax (Decrease of R14.8m : 6.1%)



## FINANCIAL PERFORMANCE REVIEW: BACKGROUND

- Qualified audit opinion
- Factors that led to the opinion:
  - Assets
    - Accounting treatment of certain assets
      - ✓ NBV of R62m (Total NBV R1 178b)
    - Non- valuation of certain assets
      - ✓ Land and buildings
    - Assets that could not be physically verified
    - Late capitalization of assets
  - Expenditure
    - Irregular expenditure
      - ✓ Non-compliance to policies



## FINANCIAL PERFORMANCE REVIEW BACKGROUND

- Plan to resolve audit findings
  - Assets (due date : 17 Nov 2017)
    - Physical verification of assets
    - Valuation of assets
    - Monthly reconciliations
  - Irregular expenditure
    - Adherence to SCM policies
    - Credit cards withdrawal and application for exemption
  - Consequence management
  - Interim audits (both Internal and External audits)



## FINANCIAL PERFORMANCE REVIEW

### Material Financial and economic outcomes:

- Maintaining long-term financial sustainability by optimising regulated and non-regulated businesses
- Protecting South Africa's economic interests and trade, whilst creating employment opportunities for South Africans
- Creating economic value for the country

### FINANCIAL PERFORMANCE 2016/17

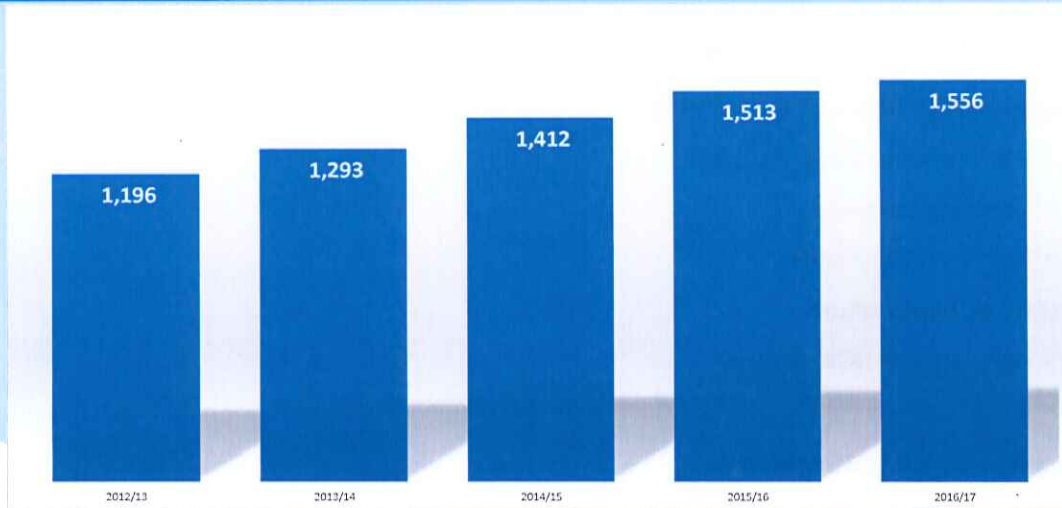
Total Revenue 1.6bn	EBITDA R349m
Net Profit R228 m	CAPEX R318m

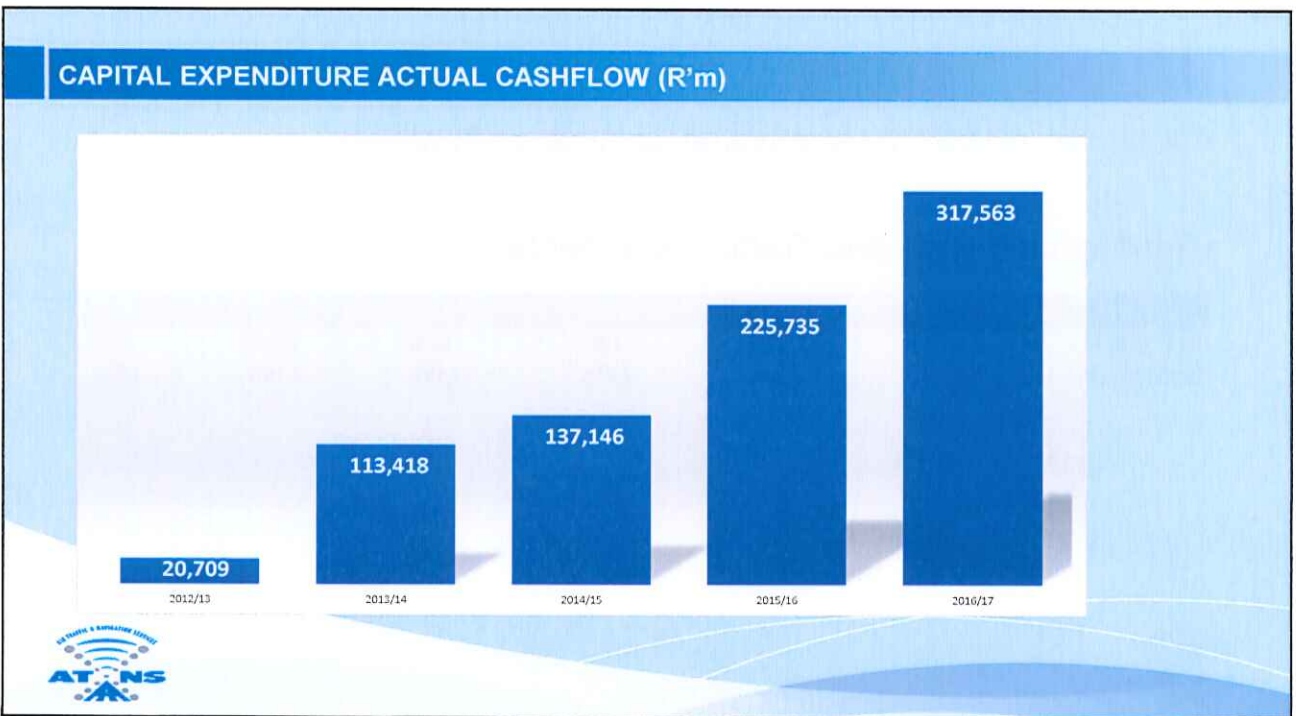
### RATIOS 2016/17

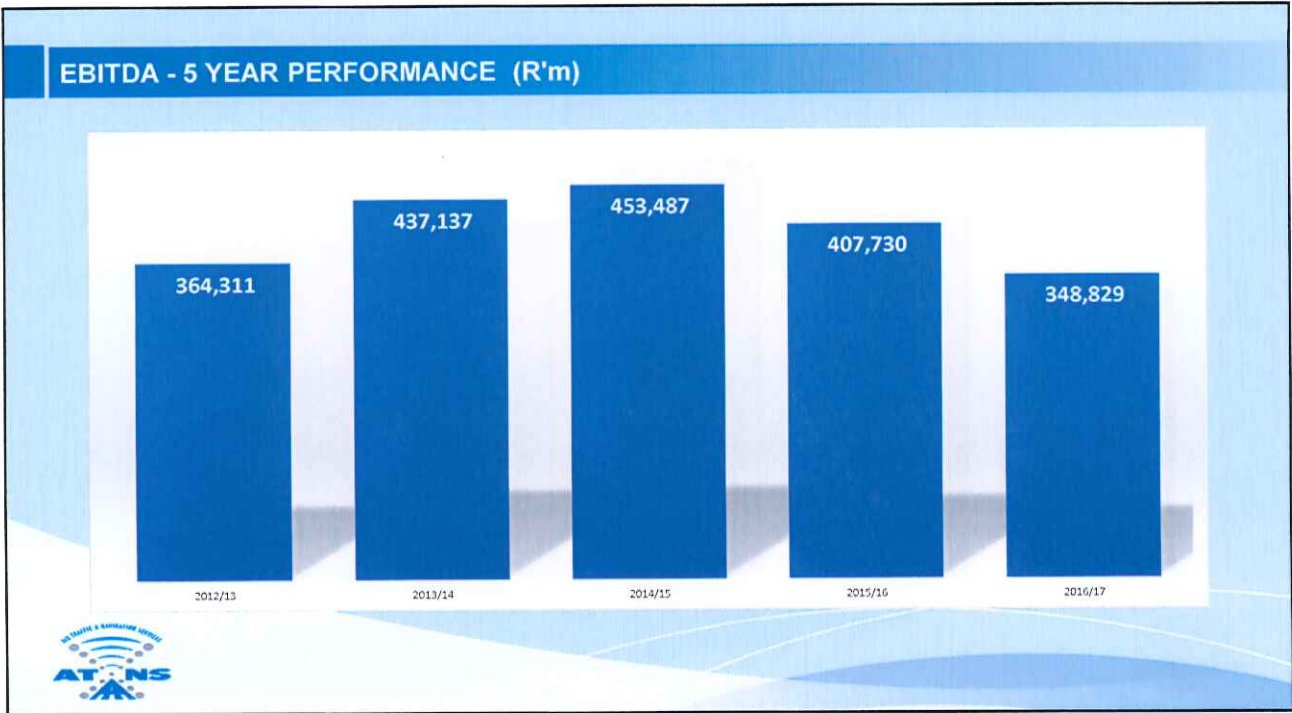
D/E: 0%	C/A: 5.2:1
ROCE: 20.1%	Return on Assets 9%



## TURNOVER (R'm)








### FORWARD LOOKING – PERMISSION APPLICATION

- 2018/19 – 2022/23 Permission Application finalized
- Tariff adjustments and Traffic movements

Description	FY19	FY20	FY21	FY22	FY23
Tariff growth	2.1%	3.9%	6.0%	11.2%	6.0%
Traffic growth	2.29%	2.21%	2.18%	2.14%	1.98%



### FORWARD LOOKING – Movements & Revenue

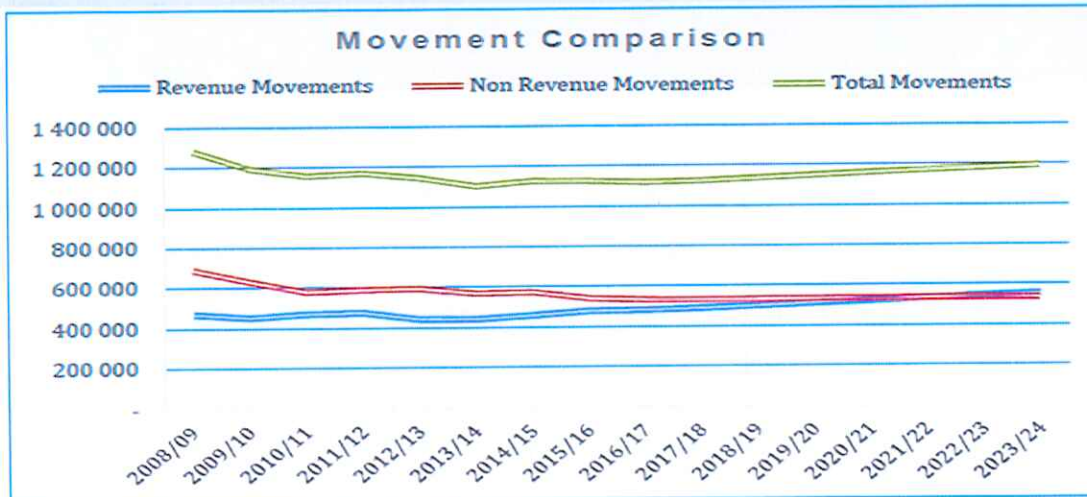
Category	18/19		19/20		20/21		21/22		22/23	
	Mov ('000)	Rev (R'000)	Mov ('000)	Rev (R'000)	Mov ('000)	Rev (R'000)	Mov ('000)	Rev (R'000)	Mov ('000)	Rev (R'000)
000-001.2	0	79	0	84	0	91	0	103	0	112
001.2-002.8	5	1,014	5	1,077	6	1,166	6	1,325	6	1,432
002.8-005	17	4,599	17	4,884	17	5,288	18	6,006	18	6,493
005-015	33	26,461	34	28,101	35	30,429	36	34,559	36	37,362
015-025	65	156,667	66	166,375	68	180,160	69	204,608	71	221,204
025-050	34	104,484	34	110,959	35	120,151	36	136,457	37	147,525
050-075	98	596,663	100	633,635	102	686,132	104	779,243	107	842,449
075-100	40	236,544	41	251,201	42	272,014	43	308,927	43	333,985
100-150	0	263	0	279	0	302	0	343	0	371
150-200	2	11,085	2	11,772	2	12,747	2	14,477	2	15,651
200-250	14	111,155	14	118,042	15	127,822	15	145,168	15	156,943
250-300	10	79,294	10	84,207	10	91,184	10	103,558	10	111,958
300-350	6	52,915	6	56,194	6	60,850	6	69,108	6	74,713
350+	12	116,693	12	123,924	13	134,191	13	152,401	13	164,763
<b>Grand Total</b>	<b>336</b>	<b>1,497,917</b>	<b>343</b>	<b>1,590,736</b>	<b>351</b>	<b>1,722,529</b>	<b>358</b>	<b>1,956,284</b>	<b>365</b>	<b>2,114,960</b>

### FORWARD LOOKING – KEY RATIOS

Key ratios and Indicators	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Regulated revenue (R'000)	1,342,131	1,376,490	1,433,597	1,497,917	1,590,736	1,722,529	1,956,284	2,114,960
Operating costs (R'000)	1,084,349	1,130,663	1,325,396	1,401,862	1,492,538	1,598,840	1,709,633	1,837,298
Depreciation (R'000)	107,629	113,729	122,468	134,298	136,835	173,185	190,626	214,988
EBITDA (R'000)	368,308	324,370	211,720	179,620	187,612	220,257	351,910	393,448
Net Profit After tax (R'000)	208,877	203,703	108,001	86,993	77,675	60,990	127,380	133,696
Operating costs as % of	81%	82%	92%	94%	94%	93%	87%	87%
Capital expenditure (CAPEX)	190,775	303,708	248,346	263,365	391,014	313,875	350,189	110,918



### FORWARD LOOKING – KEY RATIOS



# Thank you!!!







## Contact us

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