



# REVIEWED CONDENSED CONSOLIDATED RESULTS

For the year ended 31 March 2024



# 2024

## ■ COMMENTARY AND RESULTS

### OVERVIEW

Cemented by a creditable performance of its major subsidiary *Golden Arrow Bus Services (GABS)* and ably complemented by the combined efforts of its other subsidiaries, the Frontier Transport Holdings Group (FTH Group) produced a phenomenal set of operating results for the 2023/24 financial year.

Despite having to contend with the vagaries of operating in the volatile public transport market sector, *GABS* augmented its collective experience of providing scheduled commuter bus services in metropolitan Cape Town for over 163 years, to extract optimal commercial returns from its service offering.

Constrained by a relatively rigid contract model, the *GABS* team astutely managed costs and instituted a broad range of efficiencies related to the deployment of human, capital, and operational resources in the execution of its mandate to provide safe, reliable, and cost-effective transport services.

This was explicitly borne out by a boost in the fuel efficiencies of its buses, a 10.3% reduction in the procurement of supplies and spares and a commendable 4% increase in revenue that is embedded in a fiercely loyal and expanding passenger base.

*ElJoSa Travel & Tourism*, having risen from the ashes of the COVID-19 pandemic, which laid the tourism sector to waste, continued its ascendancy through consolidating its key schools' market segment and making significant inroads in the packaged tourism sector and attaining accreditation on the City of Cape Town's Central Suppliers Database.

*The Alpine Truck & Bus* entity has expanded its portfolio by acquiring the agency of the Sinotruk brand and firming down its order book in the competitive truck market. Its entry into this market was evidenced in the operating performance, which exceeded budgetary projections during the reporting period.

With additional retreading and manufacturing capacities, *Frontier Tyres* turned the corner during the review period by posting its first profit, whilst the management and operational structure of the *Shuttle-Up* unit has been reconfigured to exploit the growing numbers of air-bound travellers.

Through the planned expansion of its solar energy footprint and the decision to scale-up the acquisition of e-buses, the FTH Group, through its commuter bus subsidiaries, is optimistic to enter the exciting epoch of alternate energies and integrating new-age technologies across its operations.

### REVIEW OF RESULTS

The Group is pleased to show attributable Group profit for the period of R394.5 million (a 42.2% increase on prior year) and headline earnings at R385.3 million (an increase of 38.1% on prior year).

Revenue increased by 8.9% to R2.61 billion, and operating costs increased by 6.3% to R2.08 billion, resulting in a 25.6% increase in operating profit (EBITDA) of R575.5 million.

The increase in finance costs of 45.1% is mainly due to the acquisition of new commuter buses. Investment income increased by 60.1% from R35.6 million to R56.9 million in the current period.

The N2 Express JV Proprietary Limited contributed R2.5 million to the Group's profit from equity accounted investment for the period.

### CHANGES IN DIRECTORATE

Mrs Naziema Jappie resigned from the Board as an independent non-executive director and Mr Mimi Freddie Magugu was appointed to succeed Mrs Jappie as an independent non-executive director effective from 05 October 2023. Mrs Sinqumile Nqobani Njongwe Mkhwanazi was appointed as an independent non-executive director effective from 01 May 2024.

There were no other changes in directorate during the period under review.

### DIVIDENDS

The Company declared and paid an interim ordinary dividend for the year ended 31 March 2024 of 24.2 cents (2023: 22 cents) (gross) per share in December 2023. A special dividend of R1.37 per share was declared and paid in January 2024.

## ■ COMMENTARY AND RESULTS (CONTINUED)

### ORDINARY CASH DIVIDEND TO SHAREHOLDERS

The directors have approved and declared a final ordinary dividend of 24.2 cents (gross) per Frontier share for the year ended 31 March 2024 from income reserves (2023: 35 cents (gross)).

The salient dates for the payment of this dividend are as follows:

Announcement date	Thursday, 23 May 2024
Last day to trade cum dividend	Tuesday, 11 June 2024
Commence trading ex-dividend	Wednesday, 12 June 2024
Record date	Friday, 14 June 2024
Payment date	Tuesday, 18 June 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 June 2024, and Friday, 14 June 2024, both days inclusive.

In terms of legislation applicable to Dividends Tax ("DT") the following additional information is disclosed:

- The final ordinary dividend shall constitute a "dividend" as defined in the Income Tax Act, 58 of 1962.
- The local DT rate is 20%.
- The number of ordinary shares in issue at the date of the declaration is 291 180 254.
- The DT amounts to 4.84000 cents per share for the final ordinary dividend.
- The net local dividend amount is 19.36000 cents per share for the final ordinary dividend for all shareholders who are not exempt from DT.
- Frontier's income tax reference number is 9754/276/16/1.

In terms of DT legislation, any DT amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (collectively "regulated intermediary") on behalf of shareholders. All shareholders should declare their status to their regulated intermediary as they may qualify for a reduced DT rate or exemption.

For and on behalf of the board of directors



FE Meyer  
Chief Executive Officer

23 May 2024



ML Wilkin  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED RESULTS

## TO THE SHAREHOLDERS OF FRONTIER TRANSPORT HOLDINGS LIMITED

We have reviewed the condensed consolidated financial statements of Frontier Transport Holdings Limited, contained in the accompanying condensed consolidated results, which comprise the condensed consolidated statement of financial position as at 31 March 2024 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

## DIRECTOR'S RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed consolidated results, as set out in the "Basis of Preparation" paragraph to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Frontier Transport Holdings Limited for the year ended 31 March 2024 are not prepared, in all material respects, in accordance with the JSE Limited Listings Requirements for condensed consolidated results, as set out in the "Basis of Preparation" and "Review of The Independent Auditor" paragraphs to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.

BDO South Africa Incorporated  
Registered Auditors

*BDO South Africa Inc.*



Fayaz Mohamed  
Director  
Registered Auditor

23 May 2024

119 - 123 Hertzog Boulevard  
Foreshore  
Cape Town, 8001

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	Reviewed 2024 R'000	Audited 2023 R'000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	1	1 719 868	1 613 690
Right-of-use assets	2	1 682 550	1 577 512
Goodwill		8 819	4 828
Intangible assets		23 940	23 940
Investment in associate		59	59
Deferred taxation		3 515	5 982
		985	1 369
<i>Current assets</i>			
Inventories		606 420	796 606
Trade and other receivables		43 068	32 484
Taxation		96 770	80 692
Cash and cash equivalents		4 381	4 809
		462 201	678 621
<b>Total assets</b>		<b>2 326 288</b>	<b>2 410 296</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Equity attributable to equity holders of the parent		1 381 556	1 542 770
Non-controlling interest		1 381 031	1 546 627
		525	(3 857)
<i>Non-current liabilities</i>			
Instalment sale obligations		504 350	444 301
Borrowings		181 950	80 460
Lease liabilities	2	512	1 636
Post-employment medical benefit liability		6 301	2 399
Deferred taxation		62 195	62 265
		253 392	297 541
<i>Current liabilities</i>			
Instalment sale obligations		440 382	423 225
Borrowings		72 376	96 504
Trade and other payables		1 128	1 008
Taxation		237 652	223 648
Provisions		3 237	9 491
		125 989	92 574
<b>Total equity and liabilities</b>		<b>2 326 288</b>	<b>2 410 296</b>

## ■ CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	Reviewed 2024 R'000	Audited 2023 R'000
Revenue	3	2 605 820	2 393 841
Other income		47 052	18 973
Operating expenses		(2 077 391)	(1 954 566)
<b>Operating profit (EBITDA)</b>		<b>575 481</b>	<b>458 248</b>
Depreciation and amortisation		(105 394)	(99 787)
Investment income		56 981	35 583
Profit from equity accounted investment		2 533	7 239
Finance costs		(23 897)	(16 469)
<b>Profit before taxation</b>		<b>505 704</b>	<b>384 814</b>
Taxation		(111 252)	(107 355)
<b>Profit for the year</b>		<b>394 452</b>	<b>277 459</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		389 940	277 489
Non-controlling interest		4 512	(30)
		<b>394 452</b>	<b>277 459</b>
<b>Earning per share (cents)</b>			
Basic		134.01	95.55
Diluted		131.10	94.89

## ■ CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Reviewed 2024 R'000	Audited 2023 R'000
Profit for the year	394 452	277 459
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains on defined benefit plans	3 783	7 990
Taxation relating to actuarial gains on defined benefit plans	(1 022)	(2 157)
Total comprehensive income for the year	397 213	283 292
Total comprehensive income attributable to:		
Equity holders of the parent	392 701	283 322
Non-controlling interest	4 512	(30)
	397 213	283 292

## RECONCILIATION OF HEADLINE EARNINGS

For the year ended 31 March 2024

Reconciliation of headline earnings	Reviewed 2024 R'000		Audited 2023 R'000	
	Gross	Net	Gross	Net
Earnings attributable to equity holders of the parent		389 940		277 489
Profit on disposal of plant and equipment	(7 025)	(5 128)	(1 244)	(908)
Impairment of plant and equipment	8 711	6 359	7 946	5 801
Insurance claim for capital assets	(8 099)	(5 912)	(4 645)	(3 391)
<b>Headline earnings</b>		<b>385 259</b>		<b>278 991</b>
Earnings per share (cents)				
Basic		134.01		95.55
Diluted		131.10		94.89
Headline earnings per share (cents)				
Basic		132.40		96.07
Diluted		129.52		95.40
Weighted average number of shares in issue ('000)				
Basic		290 987		290 414
Diluted		297 440		292 432
Actual number of shares in issue ('000)		291 180		290 596

In terms of the Frontier Group Employee Option Scheme, 584 457 shares were issued during the current financial year (2023: 595 797).



## ■ CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Reviewed 2024 R'000	Audited 2023 R'000
Balance at the beginning of the year	1 542 770	1 413 853
Total comprehensive income	397 213	283 292
Equity settled share-based payments	13 771	2 356
Dividends	(572 198)	(156 731)
<b>Balance at the end of the year</b>	<b>1 381 556</b>	<b>1 542 770</b>

## ■ CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	Reviewed 2024 R'000	Audited 2023 R'000
<b>Cash flows (to)/from) operating activities</b>		(94 221)	229 201
Cash generated from operations		600 768	468 335
Investment income		56 981	32 583
Finance cost		(23 897)	(16 469)
Taxation paid		(156 227)	(98 517)
Dividends paid		(571 846)	(156 731)
<b>Cash flows (to) investing activities</b>		(25 606)	(9 496)
Dividends received		5 000	3 000
Loan to associate repaid		–	5 882
Acquisition of property, plant and equipment	4	(58 302)	(32 066)
Proceeds from insurance claims for capital assets		8 099	253
Proceeds from sale of plant and equipment		19 597	13 435
<b>Cash flows (to) financing activities</b>		(96 593)	(119 324)
Funding repaid	4	(93 812)	(116 949)
Principal paid on lease liabilities		(2 781)	(2 375)
(Decrease)/increase in cash and cash equivalents		(216 420)	100 381
<b>Cash and cash equivalents</b>			
At the beginning of the year		678 621	578 240
At the end of the year		462 201	678 621

# NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## BASIS OF PREPARATION AND ACCOUNTING POLICIES

The reviewed condensed consolidated results for year ended 31 March 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the disclosure requirements of IAS 34 – Interim Financial Reporting, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, No. 71 of 2008 (as amended) and the Listings Requirements of the JSE Limited.

The accounting policies applied by the Group in preparation of these reviewed condensed consolidated financial statements are consistent with those applied by the Group in its consolidated annual financial statements for the year ended 31 March 2023. Details of the standards applied are provided in the annual financial statements. As required by the Listings Requirements of the JSE Limited, the Group reports headline earnings in accordance with Circular 1/2023 – Headline Earnings, as issued by the South African Institute of Chartered Accountants.

These reviewed condensed consolidated financial statements were prepared under the supervision of the chief financial officer, Mr. Mark Wilkin CA(SA).

## OPERATING SEGMENTS

The directors have considered the implications of IFRS 8: Operating segments and are of the opinion that the operations of the Group materially constitute one operating segment, being the provision of passenger transport services within South Africa. Resource allocation and operational management is performed on an aggregate basis. Performance is measured based on profit or loss before tax as shown in internal management reports that are reviewed by the chief operating decision maker, who is the Group's chief executive officer.

## REVIEW OF THE INDEPENDENT AUDITOR

The condensed consolidated financial statements for the year ended 31 March 2024 have been reviewed by BDO South Africa Incorporated, who expressed an unmodified review conclusion. The auditor's report does not necessarily report on all the information contained in the financial results. Any reference to future financial performance included in this announcement has not been reviewed nor reported on.

## 1. PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment is summarised as follows:

	Carrying Value at 31 March 2023					Carrying Value at 31 March 2024	
	R'000	Additions R'000	Depreciation R'000	Disposals R'000	Impairments R'000	R'000	R'000
Buses	1 155 391	177 935	(89 631)	(11 407)	(8 348)	1 223 940	
Computer hardware, fare collection and radio equipment	42 907	13 947	(6 122)	(49)	(363)	50 320	
Land and buildings and leasehold improvements	356 095	20 640	(24)	–	–	376 711	
Motor vehicles	13 654	9 099	(4 978)	(182)	–	17 593	
Plant and machinery	8 877	6 406	(1 054)	(935)	–	13 294	
Furniture and fixtures	588	446	(341)	(1)	–	692	
<b>Total</b>	<b>1 577 512</b>	<b>228 473</b>	<b>(102 150)</b>	<b>(12 574)</b>	<b>(8 711)</b>	<b>1 682 550</b>	

The Group acquired 61 commuter buses totaling R171.9 million and 3 charter coaches to the value of R6 million (2023: 30 commuter buses totaling R73.9 million, 1 electric bus totaling R4.5 million and 4 charter coaches for the value of R4.1 million).

The impairment of buses with a net book value of R8.35 million (2023: R7.6 million) relates to the destruction of 13 Golden Arrow Buses (2023: the destruction of 11 Golden Arrow buses), of which R5.5 million is receivable from insurance proceeds (2023: R4.6 million).

## NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. LEASES

Movement in the carrying value of right-of-use assets and lease liabilities are as follows:

	Reviewed 2024 R'000	Audited 2023 R'000
<b>Reconciliation of right-of-use assets</b>		
Carrying value at the beginning of the year	4 828	5 671
Additions	1 342	4 296
Remeasurement of lease	5 740	–
Modification of lease	152	–
Depreciation	(3 243)	(5 139)
<b>Carrying value as at 31 March</b>	<b>8 819</b>	<b>4 828</b>
<b>Reconciliation of lease liabilities</b>		
Carrying value at the beginning of the year	5 113	3 193
Finance costs	870	410
Lease payments	(3 651)	(2 786)
Additions	1 342	4 296
Remeasurement of lease	5 695	–
<b>Carrying value as at 31 March</b>	<b>9 369</b>	<b>5 113</b>
<b>Of which:</b>		
Current (included in Trade and other payables)	3 068	2 714
Non-current	6 301	2 399
	<b>9 369</b>	<b>5 113</b>

### 3. REVENUE

Group revenue for the year is made up as follows:

	Reviewed 2024 R'000	Audited 2023 R'000
<b>Revenue from bus services</b>		
<i>Revenue recognised over time</i>		
Operational contract carrying revenue risk	1 177 519	1 127 813
Operational contract with no revenue risk	168 282	160 378
Sale of multi-journey tickets	609 050	578 305
<i>Revenue recognised at a point in time</i>		
Sale of single journey tickets	360 419	353 827
Charter hire services	115 587	101 128
<b>Total revenue from bus services</b>	<b>2 430 857</b>	<b>2 321 451</b>
<b>Revenue from goods sold</b>		
<i>Revenue recognised at a point in time</i>		
Sale of vehicles	108 029	7 627
Sale of spares, tyres and retreads	43 915	35 107
	<b>151 944</b>	<b>42 734</b>
<b>Revenue from automotive repair services</b>		
<i>Revenue recognised at a point in time</i>		
Bus and vehicle repair and maintenance	14 406	7 365
Tyre repairs and related services	4 964	4 531
	<b>19 370</b>	<b>11 896</b>
<b>Other revenue</b>		
<i>Revenue recognised over time</i>		
	–	1 868
<i>Revenue recognised at a point in time</i>		
	3 649	15 892
	<b>3 649</b>	<b>17 760</b>
<b>Total revenue</b>	<b>2 605 820</b>	<b>2 393 841</b>

## NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. BORROWINGS ARISING FROM FINANCING ACTIVITIES

Movements in the carrying value of borrowings are as follows:

	Reviewed 2024 R'000	Audited 2023 R'000
Carrying value at the beginning of the year	179 608	224 623
Cash-flows:		
Debt repayments	(93 812)	(116 949)
Interest paid	(22 378)	(15 972)
Non-cash:		
Raising of instalment sale obligations	170 170	71 934
Interest capitalised	22 378	15 972
	<b>255 966</b>	<b>179 608</b>

R170.1 million (2023: R71.9 million) of debt raised in the period relates to instalment sale agreements used to finance bus acquisitions, and therefore has not been included in the cash flow statement as a cash flow amount.

### 5. COMMITMENTS

	Reviewed 2024 R'000	Audited 2023 R'000
<b>Capital expenditure</b>		
Property, plant and equipment authorised but not yet contracted	540 000	310 500
Property, plant and equipment authorised and contracted to be expended	119 255	113 238

It is intended that this expenditure will be funded from bank finance and operating cash flows.

The Board approved the acquisition of 120 electric commuter buses and 40 diesel commuter buses which have been included in the commitments noted above.

### 6. RELATED PARTY TRANSACTIONS

Related party transactions similar to those disclosed in the Group's 2023 annual financial statements took place for the year ended 31 March 2024 and will be disclosed in the Group's annual financial statements for the year ended 31 March 2024.

### 7. GOING CONCERN

The directors believe that the Group has adequate financial resources to continue operations for the foreseeable future and accordingly the reviewed condensed consolidated results have been prepared on the basis of accounting policies applicable to a going concern.

The Group has no financial covenants imposed by its funders. Based on these cash flow forecasts the directors are of the view that the Group has sufficient liquidity to meet its obligations as currently foreseen in the next financial year.

The directors are not aware of any other material changes that may adversely impact the Group nor are they aware of any material non compliance with statutory or regulatory requirements which may affect the Group.

### 8. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would require any adjustments to these annual financial statements.

## CORPORATE INFORMATION

### DIRECTORS

#### Executive directors

FE Meyer (chief executive officer)

ML Wilkin (chief financial officer)

#### Non-executive directors

Y Shaik (chairperson)

TG Govender

JR Nicolella

#### Independent non-executive directors

L Govender (lead independent director)

RD Watson

MF Magugu (appointed 5 October 2023)

SNN Mkhwanazi (appointed 1 May 2024)

### FRONTIER TRANSPORT HOLDINGS LIMITED

("Frontier" or "the Company" or "the Group")

Incorporated in the Republic of South Africa

Registration number: 2015/250356/06

JSE share code: FTH

ISIN: ZAE000300505

#### Registered office

103 Bofors Circle, Epping Industria, 7460

(PO Box 115, Cape Town, 8000)

### COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

Suite 801, 76 Regent Road, Sea Point, Cape Town, 8005

(PO Box 5251, Cape Town, 8000)

### AUDITORS

BDO South Africa Incorporated

6th Floor, 123 Hertzog Boulevard, Foreshore, Cape Town, 8001

(PO Box 3883, Cape Town, 8000)

### TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

(Private Bag X9000, Saxonwold, 2132)

### SPONSOR

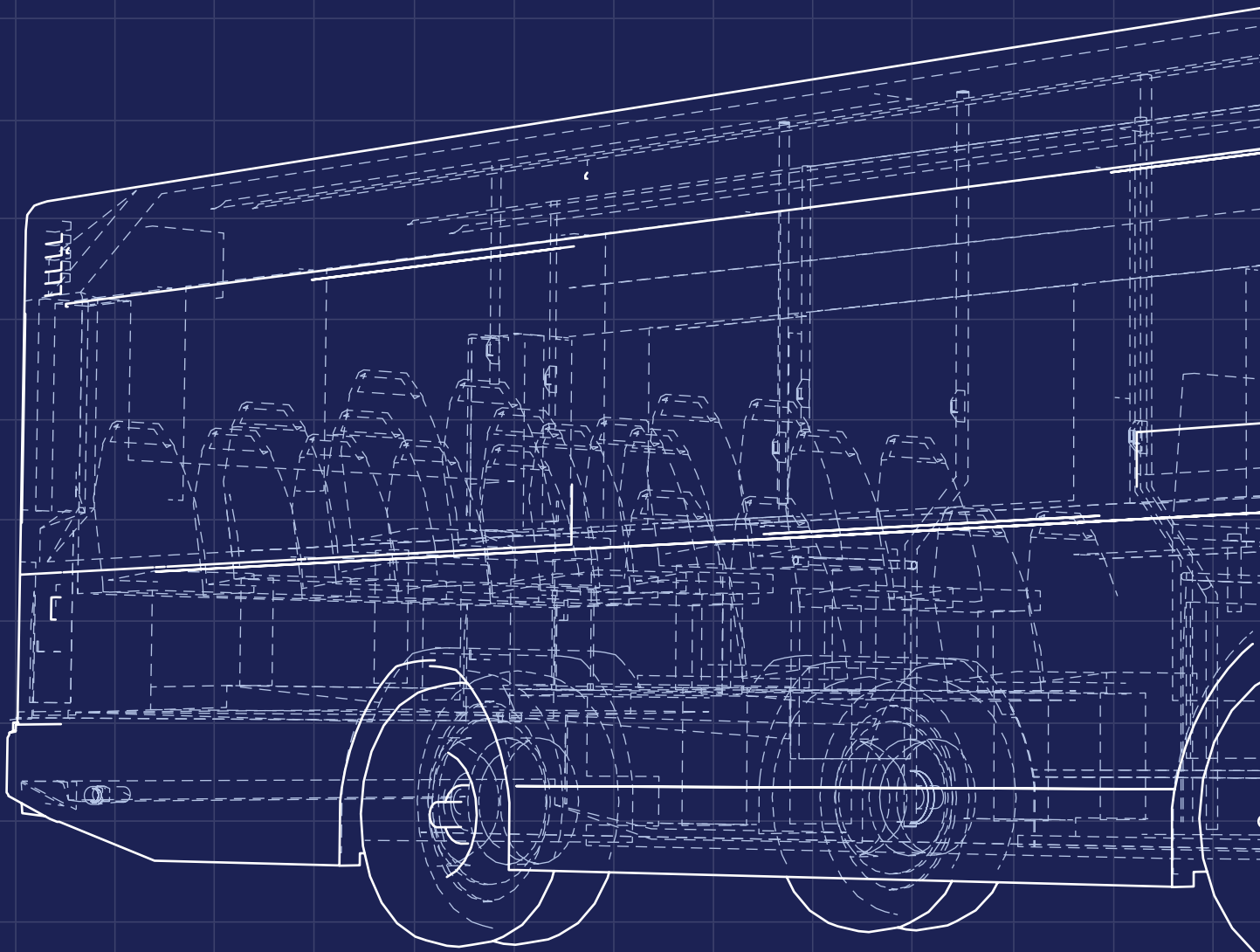
Investec Bank Limited

100 Grayston Drive, Sandown, Sandton, 2196

(PO Box 785700, Sandton, 2146)

### WEBSITE ADDRESS

[www.frontiertransport.co.za](http://www.frontiertransport.co.za)



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