



SOUTHERN SUN LIMITED

(formerly Tsogo Sun Hotels Limited)
Incorporated in the Republic of South Africa
(Registration number 2002/006356/06
Share Code: SSU ISIN: ZAE000272522
("Southern Sun" or "the Company" or "the Group")

TRADING STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Shareholders are advised that Southern Sun is scheduled to release its financial results for the year ended 31 March 2023 on or about 25 May 2023.

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, listed companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on, will differ by at least 20% from those of the prior comparative period, being 31 March 2022.

Shareholders are accordingly advised that:

- Revenue is expected to be between R5 344 million and R5 618 million compared to the prior comparative period of R2 708 million. Excluding the once-off payment of R399 million received by the group from Tsogo Sun Gaming Limited on implementation of the Separation Agreement on 30 September 2022 ("Separation Payment"), revenue is expected to be between R4 955million and R5 209 million;
- EBITDAR is expected to be between R1 394 million and R1 480 million compared to the prior comparative period EBITDAR of R590 million. EBITDAR for the year excludes the Separation Payment while EBITDAR for the prior year includes the business interruption proceeds received of R191 million ("Insurance Proceeds");
- Earnings per share ("EPS") is expected to be between 62.9 cents and 74.5 cents compared to the prior comparative period *loss* per share of 10.6 cents. EPS for the year includes the Separation Payment net of tax (R313 million) and EPS for the prior year includes the Insurance Proceeds net of tax (R139 million);
- Headline earnings per share ("HEPS") is expected to be between 48.1 cents and 57.1 cents compared to the prior comparative period headline *loss* per share of 8.2 cents. HEPS for the year includes the Separation Payment (net of tax) and HEPS for the prior year includes the Insurance Proceeds (net of tax); and
- Adjusted HEPS is expected to be between 27.0 cents and 32.0 cents, compared to the prior comparative period adjusted headline *loss* per share of 8.0 cents. Adjusted HEPS for the year excludes the Separation Payment (net of tax) and Adjusted HEPS for the prior year includes the Insurance Proceeds (net of tax).

Trading levels continued to recover, particularly during the second half of the year, as local and international travel patterns normalised and demand for conferencing and events increased. All regions performed well and exceeded F20 (pre-Covid) levels except the Sandton node, reflecting the delayed recovery in corporate transient travel exacerbated by many companies in the node still operating a hybrid remote working model. This performance is particularly encouraging considering Group occupancy for the F23 year of 51.5% (F22: 30.6%) is well below the 59.3% achieved in F20.

The Group successfully implemented the refinancing of its debt package, closing the year ended 31 March 2023 on a net debt balance of R1.3 billion (excluding R230 million cash held as security pending the refinancing of Southern Sun Ikoyi Nigeria's in-country debt by the hotel's new owner). The significant reduction from R2.8 billion in the prior year was assisted by the trading referred to above, the sale of Southern Sun Ikoyi and the Separation Payment received.

The financial information in this trading statement has not been reviewed and reported on by the Group's external auditors, PricewaterhouseCoopers Inc.

Sandton
10 May 2023

Sponsor
Investec Bank Limited