

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, the company or the group)

SHORT-FORM ANNOUNCEMENT: REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Financial results

Shareholders are advised that the financial results contained in this short form announcement have not been adjusted to reflect Southern Sun Ikoyi as a discontinued operation. The detail of continued and discontinued operations has been included in the full announcement, in line with the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

- Occupancy at 51.5%
- Ebitdar at R1.4 billion
- Adjusted headline profit R443 million
- Net debt reduced to R1.3 billion

Supplementary information

	Change	2023 Reviewed	2022 Audited
Income (Rm)(1)	2 772	5 480	2 708
Ebitdar (Rm)(1), (2)	846	1 436	590
Attributable profit/(loss) for the year (Rm)(1), (2)	1 170	1 014	(156)
Basic profit/(loss) per share (cents) (1), (2)	79.3	68.7	(10.6)
Basic headline profit/(loss) per share (cents) (1), (2)	60.7	52.5	(8.2)
Basic adjusted headline profit/(loss) per share (cents) (1), (2)	38.0	30.0	(8.0)

(1) The once-off payment of R399 million received from Tsogo Sun Gaming Limited on implementation of the Separation Agreement on 30 September 2022 (Separation Payment) has been included in other revenue in line with IFRS 15 and consequently, the after tax impact of R313 million is included in attributable earnings and headline earnings. The Separation Payment is exceptional in nature and outside of the group's normal business operations and accordingly, has been excluded from Ebitdar (pre-tax) and adjusted headline earnings (post-tax).

(2) Business interruption insurance proceeds of R191 million received in the prior year, has been excluded from revenue in line with IFRS 15 and included in Ebitdar. The after-tax impact of R139 million has been included in attributable earnings, headline earnings and adjusted headline earnings. This is consistent with the treatment of the insured losses which were not adjusted out of these performance measures.

Operational review

The group generated Ebitdar of R1.4 billion (FY22: R590 million), significantly higher than FY22 and a growth of 6.2% on FY20 Ebitdar of R1.35 billion. This performance is particularly encouraging considering group occupancy for the FY23 year of 51.5% (FY22: 30.6%) is well below the 59.3% achieved in FY20.

Trading levels continued to recover, particularly in the second half of the financial year, as local and international travel patterns normalised and demand for conferencing and events increased. All regions performed well and exceeded FY20 (pre-Covid-19) 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.

The group is encouraged by trading levels over the last six months which have continued into April and May 2023. The impact of a winter with a severely constrained electricity system is unknown. Having successfully strengthened the group's balance sheet over the past year, it is able to withstand short-term trading volatility but will continue to maintain the discipline of managing liquidity and capital allocation prudently. The group's strategy is to continue reducing debt levels and making the most of the properties in the portfolio, many of which are irreplaceable, and to focus on customer delivery.

Short-form announcement

This short-form announcement is the responsibility of the board of directors of Southern Sun. This short-form announcement

is a summary of the full announcement released on SENS on 25 May 2023 and does not include full or complete details. The information in this short-form announcement has been extracted from the reviewed condensed consolidated financial statements, but the announcement itself has not been reviewed by the company's auditors.

The condensed consolidated financial statements for the year ended 31 March 2023 have been reviewed by PricewaterhouseCoopers Inc., and their unmodified review conclusion is included on page 10 of the full announcement. The full announcement is available on the company's website www.southern.sun.com/investors/financial-reports and can also be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2023/jse/isse/SSUE/YE23.pdf>

A copy of the full announcement may be requested from companysecretary@southern.sun.com or the sponsor, Investec Bank. Any investment decisions by shareholders should be based on a consideration of the full announcement, which shareholders are encouraged to view on SENS and on the company's website.

Shareholders are advised that a presentation on the results for the year ended 31 March 2023 will be held on Thursday, 25 May 2023 at 10:00 via Microsoft Teams, and those wishing to join can find the link to the presentation on the company's website at www.southern.sun.com/investors.

This announcement contains forward-looking statements and information in relation to the group. By its very nature, such forward-looking statements and information require the company to make assumptions that may not materialise or that may not be accurate. Such forward-looking information and statements involve known and unknown risks, uncertainties and other important factors beyond the control of the company that could cause the actual performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Past share performance cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of the announcement and no statement is intended to be a profit forecast. Forward-looking statements are the responsibility of the board and have not been reviewed and reported on by the external auditors in accordance with ISAE 3400 The Examination of Prospective Financial Information.

25 May 2023

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