



## Southern Sun 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")

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### PREPARED COMMENTS FOR THE SOUTHERN SUN ANNUAL GENERAL MEETING AND A PRELIMINARY TRADING STATEMENT FOR THE SIX MONTHS ENDING 30 SEPTEMBER 2023

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The Southern Sun Annual General Meeting is scheduled for 10am, 20 September 2023 and the following information is released in the interest of all shareholders.

Trading volumes in South Africa have continued to improve in the first five months of the financial year ending 31 March 2024, particularly when compared to the prior comparative period which was still impacted by the Omicron variant of Covid-19 with restrictions only entirely lifted on 22 June 2022. Aided by more normalised demand from local and international travellers and strong demand for conferencing and events, Group occupancy at 55.3% for the five-month period ending August 2023, has increased by 11.1pp compared to 44.2% in the prior comparative period and is only 1.9pp below the 57.2% achieved for the same five-month period in 2019, being pre Covid-19. The Group's average room rate has increased by 13% for the five-month period ending August 2023, compared to the prior comparative period and by an encouraging 26% compared to the same five-month period in 2019. The improvement over the pre Covid-19 period is achieved through a combination of higher achieved yielding and a change in the mix of hotels with the consolidation of a number of previously 3<sup>rd</sup> party leased properties.

Improved trading has been particularly prevalent in the Western Cape, which has enjoyed several large events hosted at the Cape Town International Convention Centre such as the recent Netball World Cup. In Gauteng, the Group proudly hosted the 15<sup>th</sup> BRICS summit in August 2023 at the Sandton Convention Centre, which led to substantial demand for accommodation at the surrounding hotels. In addition, most regions have seen good transient demand, with a substantial portion of the Group's hotels trading above pre Covid-19 levels. Certain hotels in the Sandton and Rosebank nodes and the Group's budget offering, Sun1, have not fully recovered but are showing improvement as the year progresses. Hotels in Maputo and Lusaka in the Group's offshore division have not traded in line with expectations and are impacted by developments or lack thereof, in the oil and gas sectors and other mining activities, while Paradise Sun in the Seychelles has performed in line with expectations in the five months. Results from the Group's associate companies in the United Kingdom have been encouraging with trading and profitability being above pre-Covid levels. The Group has continued to maintain good cost controls, with specific focus on ensuring that the significant savings achieved through the restructuring during the Covid-19 period are not lost.

As previously announced, an additional 89 million shares were bought back in May and June of this year which, together with shares acquired in the prior financial year, has reduced the overall shares in issue net of treasury shares by just over 100 million shares or 6.7%.

The Group is encouraged by these results and indications are for a strong summer tourism season, but remains cautious as the challenges of loadshedding, fiscal constraints on government and the overall poor state of the South African economy continue. Traditionally, the majority of the Group's profits are earned in the second half of the financial year.

Shareholders are reminded that the Group received a once-off payment of R399 million (R313 million after tax) from Tsogo Sun Limited on implementation of the Separation Agreement on 30 September 2022 (“Separation Payment”). This gain was included in the comparative numbers for Earnings per share (“EPS”) and Headline Earnings per share (“HEPS”) and excluded for Earnings before interest, tax, depreciation, amortisation, rentals and exceptional items (“EBITDAR”) and Adjusted Headline Earnings per share (“AHEPS”).

### Preliminary Trading statement

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it is reasonably certain that the financial results for the next period to be reported on will differ by at least 20% from those of the prior comparative period, being 30 September 2022. The Group accordingly provides the following preliminary ranges, based on management accounts to 31 August 2023 and an estimate of September trading, and excludes any potential impact of management’s assessment of investment property fair values or impairments or reversal of impairments of property, plant and equipment.

	Note	Continuing operations for the six months ended 30 Sep 2022	Change on 30 Sep 2022	Range for the six months ended 30 Sep 2023
Revenue (Rm)	1	2 082	Increase of 29% to 39%	2 690 – 2 890
EBITDAR (Rm)	1	449	Increase of 54% to 74%	690 – 780
EPS (cents)	2	22.0	Decrease of 21% to 34%	14.5 – 17.4
HEPS (cents)	2	22.7	Decrease of 23% to 36%	14.5 – 17.4
AHEPS (cents)	3	1.2	Increase > 100%	14.5 – 17.4

1) Excludes the Separation Payment of R399 million pre-tax

2) Includes the Separation Payment of R313 million post-tax

3) Excludes the Separation Payment of R313 million post-tax

The ranges provided will be updated if required and Southern Sun is currently scheduled to release its financial results for the six months ending 30 September 2023 on or about 21 November 2023.

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

20 September 2023

Sponsor  
Investec Bank Limited