

Sun International Limited
(Incorporated in the Republic of South Africa)
Registration number: 1967/007528/06
Share code: SUJ
ISIN: ZAE 000097580
LEI 378900835F180983C60
("Sun International" or "the Company" or "the group")

UNAUDITED INTERIM GROUP FINANCIAL RESULTS AND INTERIM CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

KEY HIGHLIGHTS

- Continuing income up 5.0% to R6.0 billion
- Continuing adjusted EBITDA up 4.0% to R1.6 billion with adjusted EBITDA margin at 27.3%
- Record Sunbet income up 71.8% to R512 million
- 66.7% of R1.7 billion cash generated by South African operations converted to free cash
- 104.8% of adjusted EBITDA converted to cash generated by South African operations
- Debt to adjusted EBITDA at 1.6x, well within bank covenant of 3.0x or less
- Earnings per share (EPS) up 97.1% to 337 cents per share (cps) (2023: 171 cps)
- Adjusted headline earnings per share (AHEPS) up 9.1% to 215 cps (2023: 197 cps)
- Interim cash dividend of 161 cps (2023: 148 cps) up 8.8%

Performance overview

Sun International has delivered a robust trading performance, underpinned by the strength of its diversified operating model, the resilience of its omnichannel portfolio, and disciplined strategic execution. Sun International's integrated portfolio of businesses provide compelling potential for scale, growth and returns. The performance of the group and the successful execution of the group's strategy of growing its online gaming business and omnichannel offering has yielded a continuing adjusted EBITDA of R1.6 billion up 4.0%, with group adjusted headline earnings up 8.7% to R524 million and adjusted headline earnings per share up 9.1% to 215 cents per share when compared to 30 June 2023 ("the prior period" or "the prior comparative period").

The group's income for the period increased by 5.0%, to R6.0 billion. Gaming income, which constitutes 77.4% of the group's total income, demonstrated sustained growth, increasing by 3.4%. Casino income at the group's four largest urban casinos grew by 2.2% while the smaller regional casino growth remained challenging. Sunbet continued its phenomenal growth trajectory with income surging by 71.8% surpassing once again its aggressive growth targets. Hospitality income (excluding casino income) from our resorts and hotels exhibited exceptional growth, increasing by 12.3%. Sun Slots income declined by 4.3% to R686 million compared to the prior period, and management has launched a range of initiatives to address this decline.

The group's 5.0% increase in income, combined with effective cost control, yielded a continuing adjusted EBITDA margin of 27.3% which was in line with the prior period. This consistency highlights the effectiveness of cost optimisation initiatives implemented by the group and lower diesel costs following the reduction in load shedding.

The group is in a strong financial position with South African debt (excluding IFRS 16 lease liabilities) at R5.4 billion, down from R5.7 billion as at 31 December 2023, with debt to adjusted EBITDA at 1.6 times. The debt levels take into account the payment of the 2023 final net dividend of R510 million.

Our net external interest increased by 2.7% from the prior comparative period given a 10.1% increase in average interest rates.

Following the release of Sun International's 2023 annual results in March 2024 and up to and including 30 June 2024, the group repurchased 3 871 138 Sun International ordinary shares in the open market at an average price of R36.54 per share, amounting to a total of R141 million.

In line with Sun International's dividend strategy to provide its shareholders with an appropriate, sustainable pay-out over the long term while maintaining a targeted debt to adjusted EBITDA ratio of two times and a dividend pay-out ratio of 75% of adjusted headline earnings per share, the board has resolved to pay an interim gross cash dividend of 161 cents per share totalling R416 million.

Outlook

The gaming industry is experiencing dynamic changes and Sun International, through Sunbet, will continue leveraging its strong brand and market presence to expand our customer base and enter new online markets across Africa. Our balance sheet remains robust, providing us with the financial flexibility to invest in growth opportunities. Through strategic planning, efficient capital allocation, cost management, and a focus on operational excellence, Sun International will sustain its growth trajectory and preserve stakeholder value.

We expect the recent government initiatives aimed at stimulating economic activity and improving infrastructure including the stabilisation of the electricity supply, easing inflation and lower interest rates to create a more favourable operating environment in the medium to long term.

Building on our strong performance in the first half of the year, we remain committed to delivering value to our stakeholders through strategic initiatives and operational excellence.

Interim cash dividend declaration (dividend number 54)

Notice is hereby given that the board has declared an interim gross cash dividend of 161 cents (128.80000 cents net of dividend withholding tax) for the six-month period ended 30 June 2024 being a 8.8% increase on the prior period's 148 cents, payable to shareholders recorded in the register of the company at the close of business on the record date appearing below. The dividend has been declared from cash reserves and therefore does not constitute a distribution of 'contributed tax capital' as defined in the Income Tax Act, 58 of 1962. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 258 181 057 ordinary shares. The salient dates for the interim dividend will be as follows:

Declaration date	Monday, 9 September 2024
Last day to trade cum dividend	Monday, 23 September 2024
Shares commence trading 'ex' dividend	Wednesday, 25 September 2024
Record date	Friday, 27 September 2024
Payment date	Monday, 30 September 2024

Share certificates may not be dematerialised or re-materialised between Wednesday, 25 September 2024 and Friday, 27 September 2024, both days inclusive. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on Monday, 30 September 2024. Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details after which the cash dividend will be paid via electronic transfer into the personal bank account of the certificated shareholder.

Sun International's tax reference number is 9875/186/71/1.

Directors' responsibility

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

This short form is a summarised version of the full announcement in respect of the interim results for the six months ended 30 June 2024 and as such, it does not contain full details pertaining to the Company's interim results. The full announcement can be found on the Company's website: www.suninternational.com/investors and on the JSE's website at: <https://senspdf.jse.co.za/documents/2024/jse/isse/SUI/HY2024.pdf>

Any investment decisions should be made based on the full announcement.

Investor Presentation

There will be an investor presentation pertaining to Sun International's interim financial results made available on the Company's website at <https://corporate.suninternational.com/investors>. This will be uploaded and go live on the Company's website at around 09h30 this morning.

Directors

S Sithole (Chairman), GW Dempster (Lead Independent Director), CM Henry, SN Mabaso-Koyana, MLD Marole, TR Ngara, NT Payne*, ZP Zatu Moloji

*British

Executive

AM Leeming (Chief Executive), N Basthdaw (Chief Financial Officer)

Group Company Secretary

AG Johnston

Enquiries

Investor Relations

Nwabisa Titus

Tel: +27 82 800 7721

Email: investor.relations@suninternational.com

9 September 2024

Sponsor

Investec Bank Limited