

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

CHIEF FINANCIAL OFFICER'S REVIEW



The 2026 financial year was another year of strong operational and financial performance for Southern Sun. The group grew earnings, continued investing in its hotel portfolio, returned capital to shareholders through dividends and share repurchases, and strengthened its balance sheet. These achievements position the group well to continue executing its strategy and creating sustainable long-term value for shareholders.

Laurelle McDonald, Chief Financial Officer

Annual review

The 2026 financial year was another strong year for Southern Sun, characterised by record profitability, strong cash generation and continued balance sheet strengthening. Total income increased by 9% to R7.2 billion, while Ebitdar grew by 12% to R2.4 billion and adjusted HEPS increased by 19% to 90.1 cents per share (2025: 75.6 cents). The board declared a final dividend of 30.0 cents per share, an increase of 20% on the 2025 final dividend of 25.0 cents per share.

Free cash flow generation remained strong at R909 million for the year, only R43 million lower than the prior year despite increased capital expenditure of R600 million (2025: R450 million) and income tax payments of R420 million (2025: R326 million). Capital expenditure focused on major refurbishment projects at Southern Sun Waterfront, The Westin Cape Town, Southern Sun Sandton, Paradise Sun, Birchwood Hotel & OR Tambo Conference Centre, Southern Sun The Cullinan, Mount Grace Hotel & Spa, Southern Sun Mbombela, Southern Sun Newlands and Southern Sun Rosebank. Strong cash generation enabled the group to continue investing in the portfolio while funding dividend payments of R344 million and share buybacks of R359 million. The group also settled its remaining USD-denominated debt during the year and ended the financial year in a net cash position of R86 million compared to net debt of R266 million at 31 March 2025.



Mount Grace Hotel & Spa

This strong financial performance was supported by disciplined cost management, continued demand recovery across the South African market and the group's portfolio mix, notably its significant ownership exposure to the Western Cape, which continued to benefit from strong leisure, corporate and international inbound travel demand.

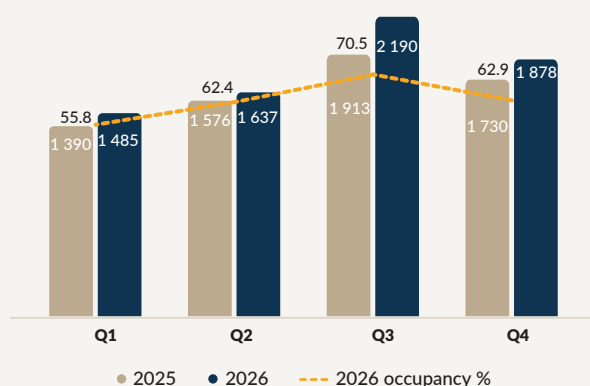
Combined South African and offshore hotel trading statistics, excluding hotels managed on behalf of third-party owners and those leased by third parties, are as follows:

For the year ended 31 March	2026	2025
Occupancy (%)	62.9	60.8
Average room rate (R)	1 525	1 463
RevPar (R)	959	890
Rooms available ('000)	5 078	5 050
Rooms sold ('000)	3 194	3 071
Rooms revenue (Rm)	4 870	4 493
frequentGuest loyalty expense (Rm)	(94)	(79)
Rooms revenue per the income statement (Rm)	4 776	4 414

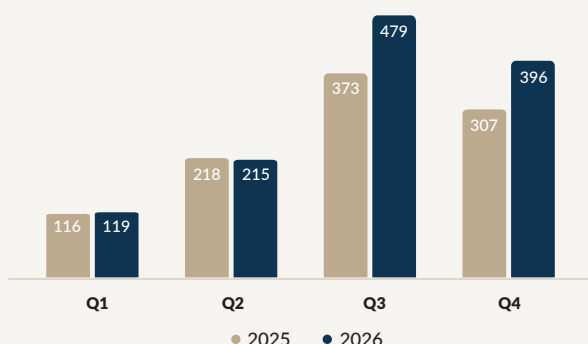
The group's operating costs remained well controlled, increasing by 8% during the year despite inflationary pressures, increased trading activity and continued investment in technology and systems. Employee costs increased by only 4%, while operating costs were impacted by higher information technology expenditure associated with the SAP S/4HANA implementation, increased property costs arising from electricity tariff increases, municipal charges and water-related costs, and higher distribution channel costs linked to increased online travel agent activity. The suspension of loadshedding contributed to lower diesel expenditure during the year, partially offsetting utility cost increases.

The group generated Ebitdar of R2.4 billion (2025: R2.2 billion), translating to an Ebitdar margin of 34% (2025: 33%). The margin improvement reflects the group's operating leverage, disciplined cost management and the strong performance delivered across the South African portfolio, which more than offset the temporary impact of refurbishment activity within the offshore portfolio during the first half of the year.

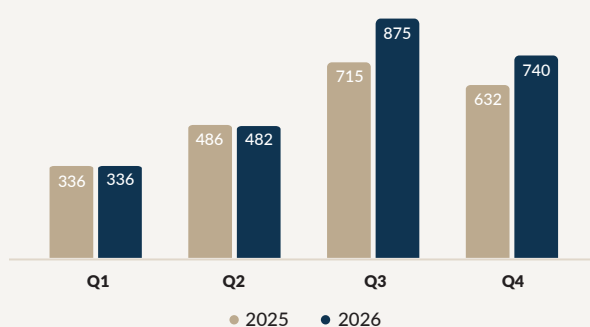
Quarterly performance – Revenue and occupancy (Rm)



Quarterly performance – Adjusted earnings (Rm)



Quarterly performance – Ebitdar (Rm)



AT A GLANCE

Revenue up
9% to **R7.2 billion**

Ebitdar up
12% to **R2.4 billion**

Adjusted HEPS up
19% to **90.1 cents**

Net debt reduced
to a net cash position of
R86 million

Dividend increased
20% to **30.0 cents per share**

*A standout year, with
robust growth in
income, earnings and
cash generation.*