

# JOINT STATEMENT FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



*“Building upon the foundations established in previous years, Southern Sun has demonstrated resilience amid global challenges and can report a record year of financial performance.”*



John Copelyn, Non-executive Chairman (Left), Marcel von Aulock, Chief Executive Officer (Right)



Southern Sun Rosebank

## Operations

The 2026 financial year was another solid year for the group, characterised by improved trading, strong cash generation and a resilient balance sheet. Total income increased by 9% to R7.2 billion, while EBITDAR increased by 12% to R2.4 billion and adjusted HEPS increased by 19% to 90.1 cents per share. The board declared a final dividend of 30.0 cents per share, an increase of 20% on the prior year's final dividend of 25.0 cents per share, reflecting the continued growth of the business.

Demand remained buoyant across our South African operations, supported by domestic and international leisure travel, improving corporate activity and a busy conferencing and events calendar. Occupancy increased to 62.9%, while average room rates increased to R1 525, resulting in an 8% increase in RevPar to R959. The Western Cape continued to benefit from strong domestic and international tourism demand, while Gauteng recorded encouraging growth in corporate and conferencing activity. Following its refurbishment, Paradise Sun in Seychelles reopened during the year and performed well during the second half, notwithstanding the impact of geopolitical developments on international travel.

Our greatest competitive advantage remains the quality and location of our hotel portfolio. These assets have been built over decades and would be exceptionally difficult to replicate today. Rather than pursuing expansion for its own sake, we have maintained our focus on enhancing the hotels we already own, ensuring they remain best-in-class, continue to meet our guests' expectations and deliver sustainable returns.

During the year we continued investing in key refurbishment projects across the group, with capital expenditure of R600 million directed towards maintaining and enhancing the quality of our hotels. These investments are aimed at modernising our properties, preserving the long-term competitiveness of our assets, strengthening our brands and enhancing the guest experience. This disciplined approach to capital investment continues to reinforce our market position and the quality of our portfolio.

The group ended the year in a net cash position of R86 million after settling its remaining USD-denominated debt, paying dividends to shareholders of R344 million and executing share buybacks totalling R359 million. This provides the flexibility to continue investing in strategically important assets, evaluate selective growth opportunities and return capital to shareholders where appropriate.

### Regional contributors to Ebitdar (%)



Note: The Manco segment has been incorporated into the Other segment and Gauteng includes the Sandton Consortium hotels.

### Prospects

Southern Sun enters the 2027 financial year with confidence, supported by a resilient balance sheet and a high-quality portfolio of strategically located hotels.

The outlook for the South African hospitality sector remains encouraging. Domestic leisure travel continues to perform well, corporate demand continues to improve and the meetings, incentives, conferences and exhibitions market remains active. South Africa's hosting of major international events, including the G20 Summit, together with continued reforms to improve access for international travellers, should provide further support for tourism and business travel across several of our key markets.

There will always be challenges. Geopolitical developments, regional instability and broader macroeconomic uncertainty remain part of the environment in which we operate. However, there remains further opportunity to improve occupancies and average room rates across our portfolio as trading conditions continue to normalise. Supported by our diversified portfolio, disciplined operating model and strong financial position, we remain confident in the group's ability to continue delivering solid results in the years ahead.

### Strategy

Our strategy has remained consistent, with focus on unlocking greater value from our existing portfolio. Our hotels occupy some of Southern Africa's most strategically important locations. We therefore continue to prioritise investment in these assets, ensuring they remain competitive for many years to come.

Technology also remains a key strategic enabler. We continue to invest in technology platforms that enhance the guest experience across every stage of the customer journey, while strengthening our commercial systems, cybersecurity and data capabilities to support operational effectiveness and future growth.

We will continue evaluating selective investment and development opportunities where they complement our portfolio and satisfy our disciplined investment criteria. Equally, we will continue returning surplus capital to shareholders where appropriate. In addition to the

37 million shares repurchased during FY26, the group repurchased a further 14 million shares subsequent to year end, bringing the total value of shares repurchased since 1 April 2025 to R415 million at an average price of R9.68 per share (excluding costs), representing 3.2% of the company's issued share capital.

### Appreciation

The achievements of the past year reflect the dedication, professionalism and passion of our employees. Their commitment to delivering exceptional hospitality experiences continues to differentiate Southern Sun and remains fundamental to our success. Customer experience remains at the heart of everything we do, and our values continue to guide every interaction with our guests, colleagues and business partners:



**Be consistent**



**Be present**



**Have respect**

These values remain the foundation of our culture and underpin the service excellence for which Southern Sun is known.

I would like to thank our employees for their continued commitment and dedication throughout the year. I also extend my sincere appreciation to our shareholders for their continued confidence, our guests for choosing Southern Sun, and our business partners, financiers and all our stakeholders for their continued support.

As we look ahead, we remain committed to disciplined execution, continued investment in our hotels, maintaining financial strength and creating sustainable long-term value for our shareholders and all our stakeholders.

**John Copelyn**  
Non-executive Chairman

**Marcel von Aulock**  
Chief Executive Officer