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## Resorts and Hotels

Our portfolio includes iconic resorts and hotels across South Africa. We continue to invest in regular property improvements resulting in ongoing improvement in operations and margins. This ensures we provide our customers with memorable experiences so that Sun International remains their destination of choice.

### Geographic location

#### Gauteng

1. The Maslow Hotel

#### Western Cape

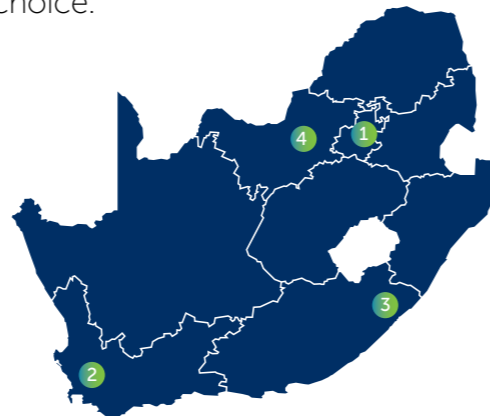
2. The Table Bay Hotel

#### Eastern Cape

3. Wild Coast Sun

#### North West

4. Sun City Resort



### Market context

Our iconic properties continue to uphold the high standards synonymous with our brand. Having navigated challenges brought about by Covid-19, we observe varying degrees of recovery in the market segments we operate in. Domestic leisure has recovered well, with demand now exceeding 2019. International travel into South Africa has increased but is still lagging pre-pandemic levels. Corporate travel is also lagging at 70%-75% of 2019 levels. Conferencing has recovered well following the easing of restrictions. Pent-up demand has seen sports and events continuing to grow. The restructuring at all our resorts and hotels has yielded positive results, with impressive improvement in operating margins at all properties. The improvement in profitability and operating margin at Sun City Resort was particularly noteworthy. The investment in ongoing refurbishments at Sun City, Wild Coast Sun and The Table Bay Hotel has started to yield positive results. In October 2022, we launched new luxury timeshare villas (Lefika) at the Sun City Resort as part of the Sun Vacation Club offering.

### Strategy

We aim to continue to position our resorts and hotels as best in class in all market segments we operate in. We will do this by continuing to invest in our product, through the refurbishment of our hotels, restaurants and public areas. We will commence with the refurbishment of the Sun City Hotel at Sun City Resort, complete the Lefika Villas timeshare units, enhance the sense of arrival at Wild Coast Sun as well as complete the new spa/gym and the upgrade of the 5th floor of the hotel. We continue to engage with the V&A Waterfront to secure a longer-term lease for The Table Bay Hotel.

We will continue with our Sun Stars employee engagement and recognition programme, complemented by a focused service skills training programme to enhance the customer experience at all our resorts and hotels.

Our marketing and sales efforts will focus on the Sun International brand proposition and the enhancements to our resorts brand identities and values.

### Growth and outlook

We remain optimistic about an improvement in international demand into South Africa. Airlift capacity has increased to pre-pandemic levels, with Cape Town reporting an increase in airlift capacity compared to 2019. This increase in demand will improve overall room rate yields at both The Table Bay Hotel and at Sun City Resort. Conferencing and events demand is positive and the momentum in the last six months of 2022 looks set to continue into 2023. The same can be said for the local leisure market segment, which continues to drive weekend and public and school holiday demand. Both Sun City Resort and Wild Coast Sun will continue to attract casino customers as a core benefit of our MVG loyalty programme.

## PERFORMANCE OVERVIEW

### Resorts and Hotels

#### Sun City Resort

Income  
**R1 636 million**  
(2021: R1 074 million)

Adjusted EBITDA  
**R259 million**  
(2021: -R52 million)



Slots  
**600**  
(2021: 700)

Tables  
**32**  
(2021: 51)

Rooms  
**1 289**  
(2021: 1 299)

**Sun City's** full operational turnaround plan was successfully concluded in the first quarter of 2022, with conferencing business resuming to pre-pandemic levels. There was an increase in sporting events, giving the resort the opportunity to settle in the new operational structure. The resort was shielded to some extent from loadshedding, however the requirement to curtail demand resulted in a spend of over R4 million in diesel to run generators. Resort occupancy closed the year at 61% (2021: 42%) with an average room rate of R1 925 (2021: R1 684).

The Palace refurbishment, which commenced in 2021, was completed in time for the 40th Nedbank Golf Challenge and The Palace's 30th birthday celebrations. In addition, the Palace spa and gym was added to The Palace Hotel facilities. Ageing infrastructure at the resort, including the Valley of the Waves, was a focus in 2022. The outsourced maintenance model has proved successful and this model is being considered at other units. In 2023, we will commence with the refurbishment of the Sun City Hotel, which will span over a two-year period to minimise disruption to our guests. Our convention centre has been relaunched, with the focus on Meetings, Incentives, Conferences and Exhibitions (MICE), showing good results. The multi-purpose sporting facilities (rugby and soccer) will break ground early in 2023 and are earmarked to be completed in 2025.

#### Sun Vacation Club

The Sun City Sun Vacation Club continued to enjoy high average occupancy percentages of 76% during 2022 (2021: 73%), compared to the 2019 occupancy of 70%. Sun Vacation Club's third-phase development has begun with the launch of Lefika Villas in October 2022, and has been well received by the market, with pre-sales exceeding feasibility.

#### The Maslow Sandton

Income  
**R120 million**  
(2021: R53 million)

Adjusted EBITDA  
**R6 million**  
(2021: -R32 million)



Rooms  
**281**  
(2021: 281)

**The Maslow Sandton:** Occupancies increased by 30% comparatively, but was 7% behind 2019. The occupancy increase was due to a new airline contract, an improvement in corporate demand and an increase in conferencing. The Maslow Sandton improved its competitor set performance, which was encouraging. EBITDA recorded a substantial improvement on 2019 due to the re-alignment of the hotel staffing and cost structure, coupled with the improvement in revenue.

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### The Table Bay Hotel

Income  
**R308 million**  
(2021: R126 million)

Adjusted EBITDA  
**R90 million**  
(2021: -R21 million)



Rooms  
**329**  
(2021: 329)

Following the impact of the Omicron variant in late 2021, 2022 had a slow start. However, from March 2022 onwards, international travel demand began to outpace local travel. Strategies implemented during Covid-19, coupled with the new staffing model, increased operational efficiencies which flowed through to EBITDA exceeding 2019.

The Table Bay Hotel celebrated its 25th birthday throughout 2022, showcasing 'The Best of the Best Address'. An extension of Siba the Restaurant was concluded in time for Easter, increasing seating capacity from 40 to 100 pax, celebrating one year of operation during October 2022. Camelot Spa was refurbished in time for summer. Sustainability and community upliftment was at the heart of The Table Bay Hotel's festive collaboration with the V&A Waterfront for the second year, with all décor handcrafted by local artisans, designers and illustrators.

Strategic priorities include securing a long-term lease extension from February 2025, which will support an exciting and substantial refurbishment of the hotel.

### Wild Coast Sun

Income  
**R508 million**  
(2021: R426 million)

Adjusted EBITDA  
**R95 million**  
(2021: R49 million)



Slots  
**500**  
(2021: 550)

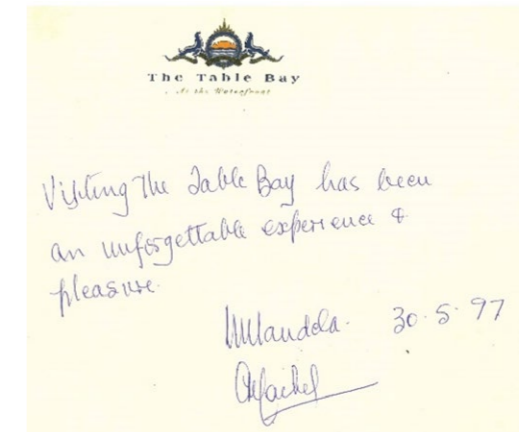
Tables  
**18**  
(2021: 18)

Rooms  
**396**  
(2021: 396)

**Wild Coast Sun** was named winner of the Annual Luxury Lifestyle Awards Best Luxury Beach Resort in South Africa. Key developments during the year comprised various customer attractions including The Magic Company's R6.4 million indoor Skypark facility, a first in South Africa. We also opened two new franchised restaurants. Our in-house restaurant enjoyed a R5.5 million expansion and upgrade, which proved popular with our guests when it was opened in December 2022. A new convenience shop (The Palms) was opened for all visitors' daily essentials. We continue to explore the development of local SMMEs as well as local procurement and employment opportunities to improve the sustainability of the surrounding communities.

## THE TABLE BAY HOTEL CELEBRATES 25 YEARS OF EXTRAORDINARY MEMORIES

Once a dockyard hotel and now the best address in Cape Town



30 May 1997

**"An unforgettable experience and pleasure"**

Nelson Mandela

Sun International's iconic Table Bay Hotel was officially opened by statesman Nelson Mandela on 30 May 1997. Since then the property has become an icon of elegance and luxury, acquiring a string of local and international accolades over the years for its service excellence and the warmth of its welcome.

The Table Bay Hotel was built at an angle, facing Table Mountain head-on. From the opposite angle the hotel offers equally beautiful unobstructed views across Table Bay, all the way to Robben Island and beyond.

The Table Bay Hotel embraces international five-star standards but always with a defining local twist. Its offering might be world-class, but the hotel remains authentically South African.

Just as its nautical architecture reflects its location in the heart of South Africa's oldest working harbour, so too, the hotel's interiors continue to echo the rich maritime history of Cape Town, the famous Tavern of the Seas that offered seafarers a safe and warm refuge from the elements.

The City of Cape Town's Mayoral Committee Member for Economic Growth, Alderman James Vos, also congratulated the hotel, stating that: "The Table Bay Hotel has exemplified the high standards, diversity and innovation of tourism and hospitality in Cape Town. It is no wonder that the hotel has time and again been voted one of the best luxury hotels in the world."

