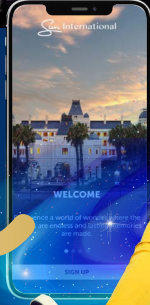


Love Every Moment

Sun International

Sun



UNAUDITED INTERIM GROUP FINANCIAL RESULTS AND INTERIM CASH DIVIDEND DECLARATION

for the six-month period
ended 30 June 2024



Sunbet
.co.za



SLOTS • GAMES • SPORTS
GET MORE FROM EVERY MOMENT

**COME
ALIVE**



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

EPS UP

97.1%
TO 337 CPS

AHEPS UP

9.1%
TO 215 CPS

INTERIM CASH DIVIDEND OF

161 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 provides 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.

PERFORMANCE OVERVIEW continued

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 net savings in diesel costs resulting from the reduction in load shedding, and after accounting for additional electricity costs, is R36 million. We continue to drive cost mitigation strategies, including investments per our renewable energy strategy.

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.

STRATEGIC UPDATE

Acquisition of Peermont Holdings Proprietary Limited ("proposed transaction")

The proposed transaction, which received overwhelming shareholder approval on 4 March 2024, is progressing well. Sun International has received credit approved funding from its current lenders, for the total enterprise value of R7.3 billion. The proposed transaction is awaiting regulatory approvals and the fulfilment of the remaining conditions precedent.

The full details of the proposed transaction and circular can be found online at: <https://corporate.suninternational.com/investors/notices-circulars/>.

PERFORMANCE OVERVIEW continued

OPERATIONAL HIGHLIGHTS



Urban casino income was up 0.5% with adjusted EBITDA, pre-management fees, of R1.1 billion for the period under review. Our larger properties have continued to grow and protect margins, while regional properties lacked topline income growth. The adjusted EBITDA margin, pre-management fees, of 33.1% was down 1.6% on the prior comparative period. We remain focused on enhancing the customer experience through our services and products to ensure that our acquisition and retention strategies result in margin improvements.



Sunbet has continued its exceptional growth trajectory and is exceeding its targets. Overall income was up 71.8% for the period, to R512 million delivering a record adjusted EBITDA, pre-management fees, of R170 million (up 88.9% on the prior comparative period). Active players continued to grow with additional games being offered and the overall player experience being enhanced.

While customer acquisition is key, retention of long-term players will deliver profitable results for Sunbet. At the end of the period under review, we achieved substantial growth in our key performance indicators against 2023 which included:

- unique active players up 72.2%;
- first time depositors up 111.6%; and
- deposits up 74.2%.

Sunbet, as one of the fastest growing companies in the online market, presents the group with significant and exciting growth potential. With this in mind, we continue to invest in our people and invested in a new website front-end look and feel which is more user-friendly with a marketing campaign tying in the iconic Sun City to complete its brand relaunch. The improvements to the registration, customer deposit, and withdrawal processes, as well as an overhaul of the customer contact centre means our customers interact with us seamlessly.

We continue to leverage the Sun International brand, presence and loyalty offering to attract and retain players while positioning Sunbet to be the most trusted and responsible online gaming operator in southern Africa. In a highly commoditised online industry, our competitive advantage lies in our ability to add value to the offering through the wider Sun International stable.

PERFORMANCE OVERVIEW continued



Sun Slots offers attractive unit economics and product diversification into the limited payout machine (LPM) and lower LSM segments. Sun Slots remains profitable and generated income of R686 million in the period under review, with adjusted EBITDA of R162 million at an improved margin of 23.6% when compared to 23.2% in the prior period.

One of the key factors impacting the industry, has been the licensing of online slots in mid-2022 which has negatively affected the LPM share of the national gaming market. Notwithstanding the foregoing, the scale, breadth and depth of the Sun Slots market offering together with several strategic interventions which the group has initiated, leaves Sun Slots well-positioned to continue to generate attractive returns for stakeholders as well as capitalising on an improving economy.



Our resorts and hotels continue to achieve robust growth in income and encouragingly a significant improvement in the adjusted EBITDA margin, pre-management fees.

Total resorts and hotels income was up 6.2% to R1.5 billion on the prior period, despite the first half of the year being impacted by the national elections, with many events either cancelled or moved to later dates during the year. The rooms and food and beverage revenue achieved exceptional growth, increasing 9.8% on the prior period.

Adjusted EBITDA, pre-management fees, was R346 million, an improvement of 10.2% from the R314 million in the prior period. The adjusted EBITDA margin, pre-management fees, of 22.9% reflects an improvement on the 22.0% achieved in the prior period.

GROUP BALANCE SHEET

The group's balance sheet remains strong with South African debt (excluding IFRS 16 lease liabilities) at R5.4 billion, down from R5.7 billion as at 31 December 2023. Our South African debt to adjusted EBITDA and interest cover of 1.6 times and 6.0 times respectively, are well within our lenders' covenants of less than 3.0 times and more than 3.0 times respectively. Our balance sheet is healthy, with available liquidity of R2.4 billion.

This demonstrates the group's strong cash generation and prudent capital allocation. We continue to prioritise increasing free cash flows and maintaining disciplined capital allocation to maximise shareholder value, adhering to our core capital allocation principles.

Financial overview

for the six-month period ended 30 June 2024

R million	2024	%	Restated* 2023
CONTINUING OPERATIONS			
Income	5 999	5	5 713
Adjusted EBITDA	1 636	4	1 573
Depreciation and amortisation	(422)	(2)	(415)
Adjusted operating profit	1 214	5	1 158
Foreign exchange losses	(1)	90	(10)
Net interest	(304)	(2)	(299)
Net external interest	(268)	(3)	(261)
IFRS 16 interest	(36)	5	(38)
Adjusted profit before tax	909	7	849
Taxation	(251)	(6)	(237)
Adjusted profit after tax	658	8	612
Minorities	(127)	(2)	(124)
Continuing adjusted headline earnings	531	9	488
Discontinued adjusted headline loss	(7)	(17)	(6)
Group adjusted headline earnings	524	9	482
Adjusted headline earnings adjustments	(61)	(2)	(60)
Group headline earnings	463	10	422
Headline earnings adjustments	359	>100	(4)
Group basic earnings	822	97	418
Continuing basic earnings	473	2	462
Discontinued basic earnings/(loss)	349	>100	(44)

* The prior period comparative financial information was restated to reflect the operations of the Tourist Company of Nigeria plc ("TCN") as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

R million	2024	%	Restated* 2023
Urban casinos	3 288	1	3 271
Casino income	3 003	–	3 005
Rooms revenue	70	27	55
Food and beverage revenue	138	1	137
Other income**	77	4	74
Adjusted EBITDA [^]	1 089	(4)	1 136
Adjusted EBITDA [^] margin %	33.1%	(2)	34.7%
Resorts and hotels	1 513	6	1 425
Casino income	443	(6)	472
Rooms revenue	551	14	483
Food and beverage revenue	304	3	296
Other income**	215	24	174
Adjusted EBITDA [^]	346	10	314
Adjusted EBITDA [^] margin %	22.9%	1	22.0%
Sun Slots	686	(4)	717
Income	686	(4)	717
Adjusted EBITDA	162	(2)	166
Adjusted EBITDA margin %	23.6	–	23.2%
Sunbet	512	72	298
Income	512	72	298
Adjusted EBITDA [^]	170	89	90
Adjusted EBITDA [^] margin %	33.2%	(3)	30.2%
Management and corporate office	–	(100)	2
Income	–	(100)	2
Adjusted EBITDA	(125)	(2)	(122)
Total South Africa	5 999	5	5 713
Income	5 999	5	5 713
Adjusted EBITDA	1 642	4	1 584
Adjusted EBITDA margin %	27.4%	–	27.7%
Sun Chile group and Sunbet Africa income[§]	–	–	–
Adjusted EBITDA	(6)	45	(11)
Total continuing group income	5 999	5	5 713
Total continuing group adjusted EBITDA	1 636	4	1 573
Total continuing group adjusted EBITDA margin %	27.3%	–	27.5%

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

** Other income is inclusive of all other products and services the group offers.

[^] Adjusted EBITDA reported pre-management fees.

[§] This has been re-presented from 'Nigeria and other' to 'Sun Chile group and Sunbet Africa as TCN has been classified as a discontinued operation.

FINANCIAL OVERVIEW continued
for the six-month period ended 30 June 2024

R million	Income		Adjusted EBITDA [^]			Depreciation and amortisation			Adjusted operating profit/(loss)			
	2024	%	Restated* 2023	2024	%	Restated* 2023	2024	%	Restated* 2023	2024	%	Restated* 2023
Urban casinos	3 288	1	3 271	1 089	(4)	1 136	(235)	4	(246)	687	(3)	706
GrandWest	961	8	891	349	8	324	(47)	–	(47)	253	9	232
Time Square	712	(2)	724	267	(7)	287	(88)	1	(89)	146	(3)	150
Sibaya	666	5	634	269	5	255	(25)	4	(26)	199	6	187
Carnival City	403	(4)	420	101	(10)	112	(27)	13	(31)	55	(8)	60
Boardwalk [#]	253	(4)	263	55	(23)	71	(21)	13	(24)	28	(30)	40
Meropa	107	(9)	118	23	(41)	39	(8)	–	(8)	9	(59)	22
Windmill	78	(20)	98	17	(48)	33	(7)	13	(8)	6	(68)	19
Flamingo	50	(17)	60	3	(67)	9	(6)	14	(7)	(5)	(100)	–
Golden Valley	58	(8)	63	5	(17)	6	(6)	–	(6)	(4)	–	(4)
Resorts and hotels	1 513	6	1 425	346	10	314	(118)	(13)	(104)	166	10	151
Sun City	904	2	890	193	2	189	(84)	(18)	(71)	69	(12)	78
Wild Coast Sun	282	13	250	50	47	34	(19)	(12)	(17)	24	>100	10
The Table Bay Hotel	251	16	217	95	13	84	(15)	–	(15)	67	14	59
The Maslow Sandton	76	12	68	8	14	7	–	100	(1)	6	50	4
Sun Slots	686	(4)	717	162	(2)	166	(53)	(6)	(50)	109	(6)	116
Sunbet	512	72	298	170	89	90	(1)	50	(2)	135	53	88
Management and corporate office	–	(100)	2	(125)	(2)	(122)	(14)	(8)	(13)	124	15	108
Total South African operations	5 999	5	5 713	1 642	4	1 584	(421)	(1)	(415)	1 221	4	1 169
Sun Chile group and Sunbet Africa**	–	–	–	(6)	45	(11)	(1)	(100)	–	(7)	36	(11)
Total continuing group operations	5 999	5	5 713	1 636	4	1 573	(422)	(2)	(415)	1 214	5	1 158

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

** This has been re-presented from 'Nigeria and other' to 'Sun Chile group and Sunbet Africa' as Nigeria has been classified as a discontinued operation.

[^] All units disclosed under urban casinos, resorts and hotels and Sunbet are reported pre-management fees.

[#] Boardwalk includes Boardwalk Mall.

FINANCIAL OVERVIEW continued
for the six-month period ended 30 June 2024

HEADLINE AND ADJUSTED HEADLINE EARNINGS ADJUSTMENTS

The group has incurred certain once-off or unusual items that have been adjusted for in adjusted headline earnings in the period under review, the most significant of which are described below:

- An increase in the estimated redemption value of the SunWest put option liability of R48 million;
- The recognition of the remaining first contingent consideration received of R54 million, before tax of R47 million, relating to Dreams S.A.;
- The recognition of the second contingent consideration of R348 million relating to Dreams S.A., net of estimated taxes, expenses, the effect of time value of money and translated to South African rands at the prevailing exchange rates; and
- Peermont transaction costs of R14 million.

UPDATE ON KEY MATTERS

Sun Dreams contingent consideration

Reference is made to the share purchase agreement ("SPA") entered into between Sun International, Sun Latam, Pacifico and Sun Dreams S.A. (subsequently renamed Dreams S.A.) on or about 20 August 2020 and which was subsequently approved by shareholders on 28 October 2020.

Sun Latam, a wholly owned subsidiary of Sun International, and Pacifico, the major shareholder of Dreams S.A. (collectively "the parties"), have reached an agreement whereby the parties have concluded that both the first and second contingent consideration, as set out in the SPA, have been earned and are payable to Sun Latam. The first contingent consideration relating to the renewal of four casino licences in Chile and totalling R206 million (CLP \$10.6 billion) before expenses and taxes, at the prevailing exchange rates, has already been paid.

Additionally, the parties have agreed that the second contingent consideration of CLP\$31.8 billion has been earned and is payable to Sun Latam. To this extent, the parties have agreed the following payment schedule in respect of the second contingent consideration, which is gross of expenses and taxes and translated to South African rands at prevailing exchange rates:

	CLP billion	R million
May 2025	13.0	252.5
May 2026	13.0	252.5
May 2027	5.8	111.8
Total	31.8	616.8

The proceeds from the first contingent consideration has been applied against the group's debt.

FINANCIAL OVERVIEW continued
for the six-month period ended 30 June 2024

Disposal by Sun International of its equity interest and loan account in the Tourist Company of Nigeria plc ("TCN")

In accordance with Sun International's previously stated intention and strategy to exit its investment in Nigeria, the company concluded and implemented a sale and purchase of shares agreement to dispose of 43.3% of its equity interest in TCN to RFC Limited ("RFC") and contemporaneously executed a sale and purchase of loan agreement to dispose of 100% of its loan account held in TCN to RFC (collectively the "Transaction"). The Transaction purchase price payable by RFC to Sun International amounted to the sum of US\$14.55 million (circa R269 million), the proceeds of which will be applied against Sun International's group debt. To date Sun International has received US\$10.8 million, with the balance of the purchase price of US\$3.7 million, plus interest thereon being payable by not later than 10 December 2024. As indicated previously Sun International will be left holding a 6.0% equity interest in TCN which will be purchased by RFC on a date still to be determined. All of the suspensive conditions to the Transaction have been fulfilled and the Transaction was implemented at the end of July 2024. As at 30 June 2024, TCN was disclosed as held for sale and a discontinued operation in terms of IFRS 5, with the comparative financial information restated accordingly.

The Table Bay Hotel

On 1 July 2024, IHG Hotels & Resorts, one of the world's leading hotel companies, issued a press release announcing its partnership with the V&A Waterfront to bring the InterContinental brand to Cape Town. The InterContinental Table Bay Cape Town will open in the fourth quarter of 2025 following a multimillion-dollar redevelopment by the V&A Waterfront. The hotel will be managed by Sun International under a hotel management agreement.

Alternative energy strategy

Our alternative energy strategy is largely focused on a blend of photovoltaic (PV) solar and battery storage solutions.

The Sun City 1.4-megawatt PV solution is on track to deliver energy savings of approximately R3.5 million per annum; and additional PV installations of 0.85MW on the Sun City Hotel and Palace Hotel rooftops has been commissioned by the end of August 2024. The PV installations at Carnival City 2.557kWp and at Sibaya 2.970kWp have commenced, with Carnival City's phase one commissioned in May 2024. Both installations are on track to yield energy by September 2024 at a cost of R87 million.

Legal and regulatory update

- Tsogo Sun Caledon (Pty) Ltd ("Tsogo Sun") submitted an application in terms of section 41(2) of the Western Cape Gambling and Racing Act, 1996 (as amended), for the relocation of its land-based casino situated in Caledon to Somerset West in the Helderberg area of the Cape Town Metropole.

Sun International objected to the relocation application and subsequently, Tsogo Sun objected to us being given a right of reply to its responses to our objections. In the absence of any prescribed protocol that allows us a right of reply to Tsogo's objections we successfully motivated to the Western Cape Gambling and Racing Board (WCGRB) that affording us a right of reply is fair and justified.

FINANCIAL OVERVIEW continued
for the six-month period ended 30 June 2024

The WCGRB (i) agreed that Sun International ought to be afforded a right of reply in relation to Tsogo Sun's response to Sun International's objection to the relocation application, and (ii) set out the manner in which it proposes to manage the relocation application going forward, with reference to hearings, both public and in camera. The WCGRB invited submissions to be made on the proposed procedural framework and invited comments in respect of its intention to impose exclusivity fees as conditions of licence. Recently, the WCGRB held public hearings in Caledon and Somerset West to hear representations on the proposed relocation from interested and affected parties. We continue to take legal advice on these matters and the way forward.

- Subsequent to the national general elections held in May this year, the Department of Health has recently resurrected the Tobacco Bill by placing it before the Portfolio Committee on Health. Initial indications are that Cabinet is determined to push the Tobacco Bill through parliament and to enact the proposed legislation. Industry bodies including the Casino Association of South Africa (CASA) have submitted comments and objections to government on the bill which will likely attract legal scrutiny in the short-medium term.

Environmental, social and governance (ESG)

Our ESG strategy aims to embed the principles of ESG across all facets of our business to ensure that we deliver sustained value creation. Our holistic ESG focus allows us to measure, monitor and evaluate our contribution towards minimising our impact on the natural and social environments within which we operate, while ensuring sustainable value creation for all our stakeholders.

We are also focused on reducing our group-wide environmental footprint and investing in green energy solutions to become a more energy-efficient and sustainable organisation. We are creating shared value for the communities in which we operate, through preferential local procurement, socio-economic development (SED) and corporate social investment (CSI) in-kind programmes, recognising that these communities give us our social licence to operate and are integral to our long-term sustainability. The board remains committed to promoting an ethical culture from the top as well as actively engaging with stakeholders. We embrace the governance pillars of integrity, responsibility, fairness, transparency, honesty and accountability for all stakeholders, which assist in preserving our long-term sustainability so we can create stakeholder value.

OUTLOOK

The gaming industry is experiencing dynamic changes and Sun International, through Sunbet, will continue leveraging its strong brand and market presence to expand its 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.

Capital expenditure

for the six-month period ended 30 June 2024

R million	Expansionary	Major refurbishment and ongoing	2024 Total	2023 [^] Total
Urban casinos	59	146	205	137
GrandWest – Hotel		–	–	35
GrandWest – Electrical		43	43	37
GrandWest		19	19	3
Time Square		22	22	17
Sibaya	28	15	43	22
Carnival City	31	17	48	17
Boardwalk		4	4	1
Meropa		9	9	1
Windmill		6	6	2
Flamingo		2	2	1
Golden Valley		2	2	–
Other**		7	7	1
Resorts and hotels	13	60	73	189
Sun City – Vacation Club (Lefika Villas)	13	–	13	123
Sun City – Cabanas and Entertainment Centre		13	13	–
Sun City – The Palace		–	–	11
Sun City		34	34	35
Wild Coast Sun		9	9	16
The Table Bay Hotel		2	2	1
The Maslow Sandton		2	2	3
Sun Slots		112	112	29
Ongoing		112	112	29
Sunbet		6	6	2
Total South Africa	72	324	396	357
Sunbet Africa	–	–	–	–
Total continuing group capital expenditure*	72	324	396	357

* Excluding goodwill, contract assets, right of use assets and operating equipment.

** Including management and corporate office.

[^] The prior period financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, and re-presented to exclude operating equipment which reflects more appropriate disclosure.

Condensed interim group financial statements

for the six-month period ended 30 June 2024

BASIS OF PREPARATION

The unaudited condensed interim group financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, No 71 of 2008 of South Africa, as amended, and the JSE Listings Requirements. The accounting policies applied in the preparation of the group financial statements from which the unaudited condensed interim group financial statements have been derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous audited group financial statements, unless otherwise stated. Group financial statements refers to the consolidated financial statements. The unaudited condensed interim group financial statements should be read in conjunction with the audited group financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS.

ADJUSTED EBITDA

Adjusted EBITDA is defined as earnings before interest (which includes gains and losses on foreign exchange transactions), tax, depreciation, and amortisation, and is also presented before recognising expenses which are of an unusual and infrequent nature as a result of unforeseen and atypical events. Examples of adjustments are set out below:

- profit/loss on disposal of non-current assets;
- impairment of non-current assets;
- foreign exchange cover profits/losses; and
- other non-recurring expenses which are of an unusual and infrequent nature as a result of unforeseen and atypical events.

ADJUSTED HEADLINE EARNINGS

The adjustments made in determining adjusted EBITDA are either reflected in the headline earnings adjustments required by Circular 1/2023 – Headline earnings, or where not reflected yet in the adjustments prescribed by the Circular or to the extent that it is not reflected in the operating profit, it is adjusted to determine adjusted headlines earnings per share.

These items relate mainly to:

- profit/loss relating to the extinguishment or modification of debt instruments;
- interest income on non-operating assets;
- amortisation on assets identified as part of the purchase price allocation in business combinations (IFRS 3, Business Combinations);
- change in the estimated redemption value of put option liabilities; and
- other unusual and infrequent expenses as a result of atypical events.

STANDARDS IMPLEMENTED

There were no new accounting standards required to be adopted, and amended standards have had no material impact during the current reporting period.

Condensed group statement of comprehensive income

for the six-month period ended 30 June 2024

R million	2024	Restated* 2023
CONTINUING OPERATIONS		
Net gaming wins	4 641	4 489
Revenue [§]	1 357	1 222
Insurance receipts	1	2
Income	5 999	5 713
Consumables and services	(692)	(641)
Depreciation	(396)	(388)
Amortisation	(26)	(27)
Employee costs	(1 214)	(1 150)
Levies and VAT on casino income	(1 083)	(1 068)
LPM site owners commission**	(207)	(215)
Promotional and marketing costs	(266)	(196)
Property and equipment rentals	(63)	(43)
Property costs	(453)	(455)
Other operational costs [^]	(406)	(389)
Operating profit	1 193	1 141
Foreign exchange losses	(1)	(10)
Finance income	10	11
Finance expense	(314)	(310)
Change in estimated redemption value of put option	(48)	(21)
Profit before tax	840	811
Taxation	(251)	(237)
Profit for the period from continuing operations	589	574
Profit/(loss) for the period from discontinued operations	343	(89)
Profit for the period	932	485

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

§ Included in revenue is other income.

** LPM refers to Limited Payout Machines and relates to the group's Sun Slots business.

[^] Other operational costs, *inter alia*, include administration and general costs, loss on disposal of assets, IT costs, professional fees, training costs, travel costs and repairs and maintenance costs.

R million	2024	Restated* 2023
Other comprehensive income/(loss):		
<i>Items that may be reclassified to profit or loss</i>		
Fair value adjustment for listed shares	27	(37)
Tax on fair value adjustment for listed shares	(7)	10
Foreign currency translation reserve	(70)	(51)
Total comprehensive income for the period	882	407
Profit for the period attributable to:		
Minorities	110	67
Ordinary shareholders	822	418
Total comprehensive income for the period attributable to:	882	407
Minorities	91	12
Ordinary shareholders	791	395
Total comprehensive income for the period attributable to ordinary shareholders arises from:		
Continuing operations	495	493
Discontinued operations	296	(98)
	Cents per share	Cents per share
Basic and diluted earnings per share (cents)		
Basic	337	171
Continuing operations	194	189
Discontinued operations	143	(18)
Diluted basic	335	168

Condensed group statement of financial position

as at 30 June 2024

R million	30 June 2024	31 December 2023
ASSETS		
Non-current assets		
Property, plant and equipment	8 922	9 294
Intangible assets	798	820
Investment property	148	151
Contract asset	79	79
Equity-accounted investment	32	32
Investment in listed shares	365	338
Deferred tax assets	1 154	1 157
Trade and other receivables	107	105
	11 605	11 976
Current assets		
Inventory	104	135
Trade and other receivables	1 082	940
Contract asset	22	22
Cash and cash equivalents	356	383
Current tax receivable	16	8
	1 580	1 488
Assets held for sale	440	106
Total assets	13 625	13 570

R million	30 June 2024	31 December 2023
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' equity before put option reserve	3 556	3 425
Put option reserve	(1 286)	(1 286)
Ordinary shareholders' equity	2 270	2 139
Minorities' interest	(142)	(129)
	2 128	2 010
Non-current liabilities		
Deferred tax liabilities	394	427
Borrowings	4 725	4 957
Put option liability	1 035	987
Contract liabilities	589	558
Trade payables and accruals	119	118
	6 862	7 047
Current liabilities		
Borrowings	1 358	2 336
Trade payables and accruals	2 168	2 000
Contract liabilities	149	144
Current tax payable	62	33
	3 737	4 513
Liabilities held for sale	898	–
Total liabilities	11 497	11 560
Total equity and liabilities	13 625	13 570

Condensed group statement of changes in equity

for the six-month period ended 30 June 2024

R million	Share capital and premium	Treasury shares	Foreign currency translation reserve	Share based payment reserve	Reserves for non-controlling interests*	Other reserves**	Retained earnings	Ordinary shareholders' equity before put option reserve	Put option reserve	Ordinary shareholders' equity	Minorities' interest	Total equity
Balance at 31 December 2022	3 042	(442)	82	65	(3 300)	224	3 972	3 643	(1 286)	2 357	(325)	2 032
Profit for the year	–	–	–	–	–	–	1 205	1 205	–	1 205	183	1 388
Other comprehensive income for the year	–	–	(20)	–	–	(11)	–	(31)	–	(31)	(59)	(90)
Total comprehensive income for the year	–	–	(20)	–	–	(11)	1 205	1 174	–	1 174	124	1 298
Share plan shares purchased	–	(77)	–	–	–	–	–	(77)	–	(77)	–	(77)
Employee share plans	–	–	–	46	–	–	–	46	–	46	–	46
Vested share plans	–	18	–	(18)	–	–	–	–	–	–	–	–
Acquisition/disposal of equity interest	–	–	–	–	(376)	–	–	(376)	–	(376)	287	(89)
Dividends paid	–	–	–	–	–	–	(985)	(985)	–	(985)	(215)	(1 200)
Balance at 31 December 2023	3 042	(501)	62	93	(3 676)	213	4 192	3 425	(1 286)	2 139	(129)	2 010
Profit for the period	–	–	–	–	–	–	822	822	–	822	110	932
Other comprehensive income for the period	–	–	(51)	–	–	20	–	(31)	–	(31)	(19)	(50)
Total comprehensive income for the period	–	–	(51)	–	–	20	822	791	–	791	91	882
Share plan shares purchased	–	(32)	–	–	–	–	–	(32)	–	(32)	–	(32)
Employee share plans	–	–	–	23	–	–	–	23	–	23	–	23
Vested share plans	–	21	–	(21)	–	–	–	–	–	–	–	–
Shares repurchased and cancelled	(126)	–	–	–	–	–	–	(126)	–	(126)	–	(126)
Shares repurchased and not cancelled	–	(15)	–	–	–	–	–	(15)	–	(15)	–	(15)
Dividends paid	–	–	–	–	–	–	(510)	(510)	–	(510)	(104)	(614)
Balance at 30 June 2024	2 916	(527)	11	95	(3 676)	233	4 504	3 556	(1 286)	2 270	(142)	2 128

* Reserve for non-controlling interests relates to the premium paid on purchases of minorities' interests and profits and losses on disposals of interests to minorities, including change in control.

** Including fair value and pension fund reserve.

Condensed group statement of cash flows

for the six-month period ended 30 June 2024

R million	2024	Restated* 2023
Cash flows from operating activities		
Cash generated from operations		
Profit for the period from continuing operations	589	574
Profit/(loss) for the period from discontinued operations	343	(89)
Adjustments for non-cash transactions	789	1 272
Depreciation and amortisation	425	424
Net (profit)/loss on disposal of property, plant and equipment and intangible assets	(5)	5
Dreams S.A. first contingent consideration	(54)	–
Dreams S.A. second contingent consideration	(348)	–
Provident fund prepayment	–	91
Foreign exchange loss	3	89
Operating equipment usage	50	29
Expense related to employee share based payments	23	24
Change in estimated redemption value of put option	48	21
Income tax expense	298	237
Finance income	(10)	(11)
Finance expense	314	310
Movement in contract liability	36	37
Other non-cash movements	9	16
Operating cash flow before movements in working capital	1 721	1 757
Working capital changes	265	(25)
Inventory	29	(10)
Accounts receivable	27	289
Contract asset	–	(5)
Accounts payable	209	(299)
Cash generated by operations	1 986	1 732
Tax paid	(272)	(277)
Net cash inflow from operating activities	1 714	1 455

R million	2024	Restated* 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(431)	(379)
Proceeds on disposal of property, plant and equipment	14	20
Purchase of intangible assets	(8)	(6)
Purchase of listed shares	–	(3)
Dreams S.A. first contingent consideration	206	–
Net cash outflow from investing activities	(219)	(368)
Cash flows from financing activities		
Share plan shares purchased	(32)	(77)
Shares repurchased and cancelled	(126)	–
Shares repurchased and not cancelled	(15)	–
Repayment of capital lease liabilities	(76)	(75)
Additional (cash)/borrowings	(155)	225
Repayment of borrowings	(200)	(200)
Interest paid	(273)	(265)
Dividends paid	(614)	(729)
Net cash outflow from financing activities	(1 491)	(1 121)
Effect of exchange rates on cash and cash equivalents	(21)	35
Net (decrease)/increase in cash and cash equivalents	(17)	1
Cash and cash equivalents at beginning of the period	380	379
Cash and cash equivalents at end of the period	363	380
Cash and cash equivalents from continuing operations	356	351
Cash and cash equivalents from discontinued operations	7	29
Cash flows from discontinued operations	(17)	5

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Headline earnings and adjusted headline earnings reconciliation

for the six-month period ended 30 June 2024

R million	2024	2023
Profit for the period	822	418
Net (profit)/loss on disposal of property, plant and equipment and intangible assets	(5)	5
Dreams S.A. first contingent consideration**	(54)	–
Dreams S.A. second contingent consideration	(348)	–
Tax expense/(relief) on above items	48	(1)
Headline earnings	463	422
Change in estimated redemption value of put option	48	21
Foreign exchange (profit)/loss*	(3)	78
Peermont transaction costs	14	–
Minorities' interests in the above items	2	(39)
Adjusted headline earnings	524	482

* Relates to foreign exchange difference on US Dollar denominated Nigeria minority loans.

** Amount is gross of R47 million withholding tax.

Supplementary information

for the six-month period ended 30 June 2024

R million	2024	Restated* 2023
ADJUSTED EBITDA RECONCILIATION CONTINUING OPERATIONS		
Operating profit	1 193	1 141
Depreciation and amortisation	422	415
Adjusted headline earnings adjustments	21	17
Net (profit)/loss on disposal of property, plant and equipment and intangible assets	(5)	5
Peermont transaction costs	14	–
Other**	12	12
Adjusted EBITDA	1 636	1 573
Adjusted EBITDA margin (%)	27.3%	27.5%

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

** The consolidation of the Sun International Employee Share Trust is reversed for the adjusted EBITDA reconciliation as the group did not receive the economic benefits of the trust. Inclusive of expenses which are of an unusual and infrequent nature as a result of unforeseen and atypical events.

SUPPLEMENTARY INFORMATION continued
for the six-month period ended 30 June 2024

R million	2024	2023
Number of shares for diluted EPS and HEPS calculation ('000)		
Weighted average number of shares in issue	243 936	244 496
Adjustment for dilutive share awards	1 587	3 999
Diluted weighted average number of shares in issue	245 523	248 495
Earnings per share (cents)		
– basic earnings per share	337	171
– headline earnings per share	190	173
– adjusted headline earnings per share	215	197
– diluted basic earnings per share	335	168
– diluted headline earnings per share	189	170
– diluted adjusted headline earnings per share	213	194
Continuing – earnings per share (cents)		
– basic earnings per share	194	189
– headline earnings per share	192	191
– adjusted headline earnings per share	218	199
– diluted basic earnings per share	193	186
– diluted headline earnings per share	191	188
– diluted adjusted headline earnings per share	216	196
Discontinued – earnings/(loss) per share (cents)		
– basic earnings/(loss) per share	143	(18)
– headline loss per share	(2)	(18)
– adjusted headline loss per share	(3)	(2)
– diluted basic earnings/(loss) per share	142	(18)
– diluted headline loss per share	(2)	(18)
– diluted adjusted headline loss per share	(3)	(2)

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

SUPPLEMENTARY INFORMATION continued
for the six-month period ended 30 June 2024

R million	2024	2023
TAX RECONCILIATION		
Profit before tax from continuing operations	840	811
Profit/(loss) before tax from discontinued operations	390	(89)
Profit before tax	1 230	722
Effective tax expense – continuing operations	(251)	(237)
Effective tax expense – discontinued operations	(47)	–
Effective tax expense	(298)	(237)
Depreciation on non-qualifying buildings	5	6
Non-deductible expenditure – expenses incurred to produce exempt income	1	1
Preference share dividends	–	(1)
Other non-deductible expenditure	9	7
Change in estimated redemption value of put option	13	6
Non-taxable income	(3)	(1)
Non-taxable income – Dreams S.A. first contingent consideration	(109)	–
Tax incentives	(3)	(4)
Tax losses not meeting the recognition criteria	6	27
Adjustment for prior year current and deferred tax	(1)	(12)
Trust tax rate differential	–	(1)
Withholding tax	48	15
Tax expense at South African corporate tax rate	(332)	(194)
Effective tax rate (%)	(24.2%)	(32.8%)

Other metrics	2024	2023
Adjusted EBITDA to interest (times)	6.0x	5.7x
Borrowings to adjusted EBITDA (times) excluding IFRS 16	1.6x	1.8x
Net asset value per share (Rand)	8.7	7.0
Capital expenditure (R million)*	396	357
Capital commitments (R million)*	666	528
Interim cash dividend declared (cents)	161	148
Final cash dividend declared (cents)	–	203

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, and re-presented to exclude operating equipment which reflects more appropriate disclosure.

Condensed segmental income analysis

for the six-month period ended 30 June 2024

R million	Net gaming wins								Revenue from contracts with customers									
	Net gaming wins		Tables		Slots		Sun Slots and Sunbet		Total revenue		Rooms		Food and beverage		Other [§]		Total income	
	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023
Urban casinos	3 003	3 005	607	654	2 396	2 351	–	–	285	266	70	55	138	137	77	74	3 288	3 271
GrandWest	905	845	174	147	731	698	–	–	56	46	4	1	32	26	20	19	961	891
Time Square	624	637	168	207	456	430	–	–	88	87	25	23	43	44	20	20	712	724
Sibaya	631	604	121	139	510	465	–	–	35	30	8	4	21	21	6	5	666	634
Carnival City	375	394	76	96	299	298	–	–	28	26	5	4	12	10	11	12	403	420
Boardwalk [#]	193	210	33	29	160	181	–	–	60	53	17	16	26	22	17	15	253	263
Meropa	101	112	17	15	84	97	–	–	6	6	4	4	–	–	2	2	107	118
Windmill	77	94	8	13	69	81	–	–	1	4	–	–	1	4	–	–	78	98
Flamingo	49	55	5	4	44	51	–	–	1	5	–	–	1	5	–	–	50	60
Golden Valley	48	54	5	4	43	50	–	–	10	9	7	3	2	5	1	1	58	63
Resorts and hotels	443	472	100	119	343	353	–	–	1 070	953	551	483	304	296	215	174	1 513	1 425
Sun City	227	287	66	91	161	196	–	–	677	603	282	253	206	200	189	150	904	890
Wild Coast Sun	216	185	34	28	182	157	–	–	66	65	21	18	24	27	21	20	282	250
The Table Bay Hotel	–	–	–	–	–	–	–	–	251	217	206	173	42	41	3	3	251	217
The Maslow Sandton	–	–	–	–	–	–	–	–	76	68	42	39	32	28	2	1	76	68
Sun Slots	685	715	–	–	–	–	685	715	1	2	–	–	–	–	1	2	686	717
Sunbet	510	297	–	–	–	–	510	297	2	1	–	–	–	–	2	1	512	298
Management and corporate office	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	2	–	2
Total South African operations	4 641	4 489	707	773	2 739	2 704	1 195	1 012	1 358	1 224	621	538	442	433	295	253	5 999	5 713
Sun Chile group and Sunbet Africa^{^^}	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total continuing group operations	4 641	4 489	707	773	2 739	2 704	1 195	1 012	1 358	1 224	621	538	442	433	295	253	5 999	5 713

R million	2024	Restated* 2023
Other:		
Revenue within the scope of IFRS 15		
Time share income	64	64
Other income**	114	90
Other income excluded from the scope of IFRS 15 (rental and concessionaire income [^])	116	97
Other income excluded from the scope of IFRS 15 (insurance receipts)	1	2
Total	295	253

* The prior period comparative financial information was restated to reflect the operations of TCN as held for sale and discontinued operations in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

** Other income includes conferencing and entertainment revenue, management fees income, membership revenue, merchandise revenue and entrance fee revenue. Time share income was separately shown out of Other income to provide additional detail.

[^] Concessionaire income is based on an agreed percentage of that concessionaire's turnover.

[#] Boardwalk includes Boardwalk Mall.

^{^^} This has been re-presented from Nigeria and other to Sun Chile group and Sunbet Africa as Nigeria is a discontinued operation.

Borrowings

for the six-month period ended 30 June 2024

R million	Debt	IFRS 16 lease liability	Total debt
South Africa	5 370	713	6 083
Total debt as at 30 June 2024	5 370	713	6 083
South Africa	5 725	753	6 478
Nigeria	815	–	815
Total debt as at 31 December 2023	6 540	753	7 293

CONTINGENT ASSETS AND LIABILITIES

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group has the following exposures:

Nigeria

During the period under review, TCN continued to experience difficulties engaging with the tax authorities to confirm any tax principles to obtain certainty or settle outstanding matters. The group, with the assistance of its external tax and legal counsel, has estimated the potential exposure of these disputes and other matters taken to the relevant local courts as R38 million (31 December 2023: R52 million).

Subsequent to 30 June 2024, the group has concluded and implemented the transaction to dispose of its investment in TCN. TCN is reflected as held for sale and a discontinued operation in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations as at 30 June 2024.

Dreams S.A. contingent consideration

As at 31 December 2023, management assessed that the conditions required for the first contingent consideration were met and recognised a financial asset. The funds relating to the first contingent consideration of CLP\$10.6 billion were received during the period under review.

Further, management assessed that the inflow of economic benefits relating to the second contingent consideration is highly probable and a financial asset of R341 million (31 December 2023: nil) has been recognised.

Additional information

for the six-month period ended 30 June 2024

GOING CONCERN

The IFRS Conceptual Framework states that going concern is an underlying assumption in the preparation of IFRS financial statements. Therefore, the financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting is required. The board of directors believe that, as of the date of this report, the going concern presumption is still appropriate and accordingly the unaudited condensed interim group financial statements have been prepared on the going concern basis.

IAS 1 – Preparation of Financial Statements (IAS 1) requires management to perform an assessment of the group's ability to continue as a going concern. If management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the group's ability to continue as a going concern, IAS 1 requires these uncertainties to be disclosed.

The directors' assessment of whether the group is a going concern was considered and the directors concluded that:

- the group is solvent, with its assets exceeding its liabilities and is expected to remain solvent after considering the approved budget and expected performance;
- based on the short- and long-term forecasts (as per the budget approved by the group's board of directors), the group is expected to be able to meet all its short-term obligations through a combination of the cash generated by operations and the utilisation of the current facilities available to the group;
- as at 30 June 2024, South African debt (excluding IFRS 16 lease liabilities) amounted to R5.4 billion and its debt to adjusted EBITDA ratio equalling 1.6 times. This is in compliance with the bank debt covenant requirement of a covenant ratio of 3.0 times or less. As at 30 June 2024, the interest cover ratio was compliant at 6.0 times which is above the required 3.0 times;
- there has been no event of default over the past 12 months on any of the group's debt facilities. No facilities previously available to the group have been withdrawn and remain committed by our lenders; and
- the group has forecast that it will achieve the required debt to adjusted EBITDA and interest cover ranges as per the debt covenants agreed with its lenders for the following 12 months.

The board, after considering the factors described above, has concluded that the group will be able to discharge its liabilities as they fall due in the normal course of business and is therefore of the opinion that the going concern assumption is appropriate in the preparation of the unaudited condensed interim group financial statements.

ADDITIONAL INFORMATION continued
for the six-month period ended 30 June 2024

SUBSEQUENT EVENTS

There are no further subsequent events other than those disclosed herein, namely the disposal of TCN and the dividend declaration set out below.

INTERIM CASH DIVIDEND DECLARATION

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, 09 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.

CHANGES TO THE BOARD OF DIRECTORS AND COMMITTEE

There were no appointments, retirements or resignations to the company's board of directors during the period under review.

Company information

REGISTERED OFFICE

6 Sandown Valley Crescent, Sandown, Sandton, 2196

SPONSOR

Investec Bank Limited

TRANSFER SECRETARIES

JSE Investor Services (Pty) Ltd (formerly Link Market Services South Africa (Pty) Ltd), One Exchange Square, Gwen Lane, Sandown, Sandton, 2196

DIRECTORS

S Sithole (Chairman), GW Dempster (Lead Independent Director), AM Leeming (Chief Executive)*, N Basthdaw (Chief Financial Officer)*, CM Henry, SN Mabaso-Koyana, MLD Marole, TR Ngara, NT Payne (British), ZP Zatu Moloi.

* Executive

The report was prepared under the supervision of the chief financial officer, N Basthdaw CA(SA).

GROUP COMPANY SECRETARY

AG Johnston

INVESTOR RELATIONS

KN Titus

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06 September 2024

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")

www.suninternational.com