



AFRICAN SUN

L I M I T E D

(Incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71)

TRADING UPDATE

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

African Sun Limited ("the Company" or "the Group") hereby presents the Trading Update for the third quarter ended 30 September 2024.

Trading Environment

The operating landscape during the review period was marked by a moderately stable economic climate, particularly following the introduction of the Zimbabwean Gold currency ("ZWG") on 5 April 2024. The local economy showed resilience in the second and third quarters, with lower inflation and relatively stable exchange rates compared to the previous year. However, monetary instability persists, as the ZWG has weakened against the United States Dollar ("USD") lately, affecting pricing and increasing foreign exchange losses. Frequent power outages and the impact of El Niño induced drought continue to present challenges to the business operations through increased costs of inputs.

Financial Performance

The financial results for the quarter ending 30 September 2024, presented below, are unaudited and presented in USD. The third quarter typically represents the Group's peak season for business and financial performance, and the revenues indicate a significant improvement compared to the same period last year. Key financial highlights include:

Salient Financial Highlights

Year to Date (YTD)

	30 September 2024 USD	30 September 2023 USD	Growth Percentage
Revenue	43,704,715	36,999,755	18%
Cash and cash equivalents	11,475,454	7,619,477	51%
Occupancy	55%	48%	15%
Revenue per available room	61	52	17%
Total revenue per available room	115	103	12%
Average daily room rate	111	108	3%

Third Quarter (Q3)

	30 September 2024 USD	30 September 2023 USD	Growth Percentage
Revenue	18,122,984	14,637,549	24%
Occupancy	64%	53%	21%
Revenue per available room	70	62	13%
Total revenue per available room	125	122	2%
Average daily room rate	110	117	(6%)

Revenue for Q3 at USD18,1 million, is 24% ahead of the same period last year, while YTD revenue at USD43,7 million, grew by 18% largely driven by higher occupancy rates, firmer average daily rate ("ADR"), increased sales in food and beverages, and growing revenue contribution from the real estate segment.

On a year to date basis, the domestic market remains the business anchor, contributing 71% of room nights sold, while the share from international arrivals has risen to 29% from 26%. Occupancy levels improved by 7 percentage points compared to the previous year, primarily driven by higher demand for Meetings, Incentives, Conferences, and Events ("MICE") in resort and city hotels. ADR firmed, bolstered by enhanced product offerings in refurbished hotels and strong demand. Food, beverage, and ancillary revenues reported a 28% rise due to increased uptake from the conferences. Additionally, the real estate segment's revenue contribution grew to 5% from 2%, attributed to the sale of Marlborough Sunset Views stands.

The Group maintained a strong liquidity position, with a cash and cash equivalents balance of USD11.5 million at 30 September 2024.

The Group declared an interim dividend of USD500,000 for the 2024 financial year.

Outlook

As we move into the year's final quarter, we expect a robust performance driven by the domestic market, conference business, and the festive season. While the macroeconomic environment may remain turbulent, management is confident that the Group will continue to be agile and well-prepared to navigate through the economic challenges, ensuring the creation of sustainable value for all stakeholders.

By order of the Board

Venon T. Musimbe
Company Secretary and Governance Executive

14 November 2024

Corporate Head Office

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