

STRATEGIC OBJECTIVES

Improve our existing operations and guest experience

Protect and leverage our asset portfolio

Grow our business into new areas and products

Our people

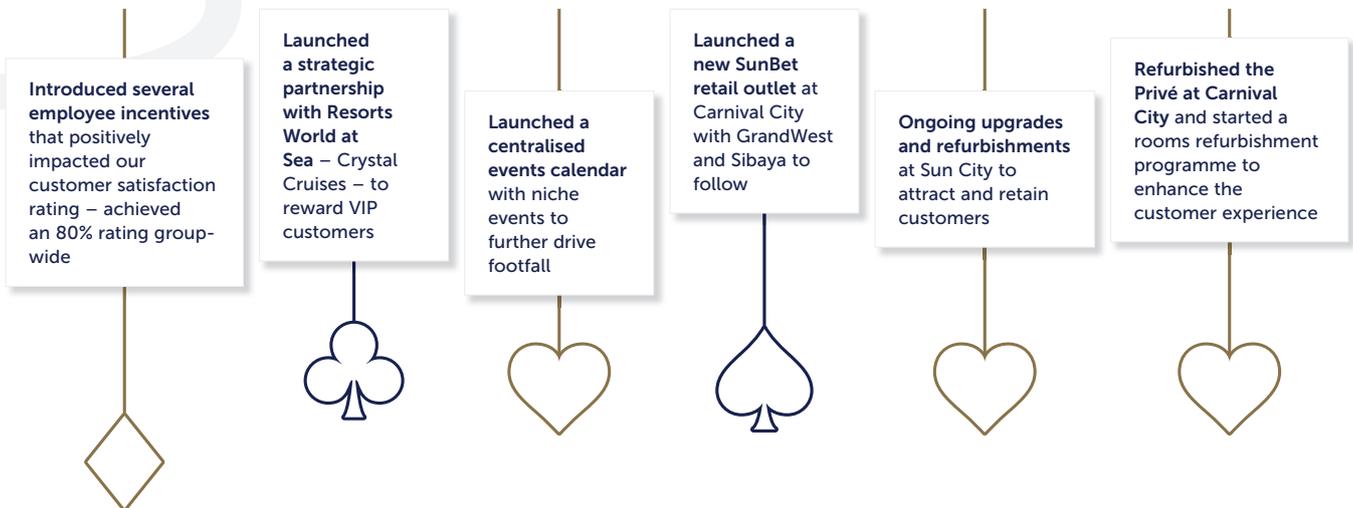
Governance and sustainability

IMPROVE OUR EXISTING OPERATIONS AND OUR GUEST EXPERIENCE

IMPROVE OUR GUEST EXPERIENCE

Our two greatest assets are our people and our properties. By tirelessly putting these assets firsts and remaining relevant, we continue to create great memories for our guests.

IMPACTS



FOCUS AREAS IN 2019

Self-assessment: **ACHIEVED/ GOOD PROGRESS** **IN PROGRESS** **LIMITED PROGRESS**

<p>Continuing to improve customer service levels and create memorable experiences</p> <p>WHAT WE ACHIEVED Achieved a group-wide customer satisfaction rating of 80%</p>	<p>Enhancing Sun International's digital marketing strategy to improve customer communication and analytics</p> <p>WHAT WE ACHIEVED Focused on encouraging direct customer bookings using retail leisure campaigns and promotions</p>	<p>Exploring new ways of driving footfall at our properties</p> <p>WHAT WE ACHIEVED Established a group-wide events calendar. The sports and events division is exploring opportunities to create niche events at specific properties to drive spend at our properties</p>
<p>Offering our customers new experiences</p> <p>WHAT WE ACHIEVED We opened a SunBet retail outlet at Carnival City with GrandWest and Sibaya to follow shortly</p>	<p>Exploring opportunities to drive new Sun MVG signups</p> <p>WHAT WE ACHIEVED MVG sign ups grew by 5.2%. Continued to explore sign up opportunities, particularly with long-stay hotel guests</p>	



Improve our existing operations and guest experience continued

IMPROVE OUR GUEST EXPERIENCE

OVERVIEW

Sun International's purpose is to create memorable experiences for our customers, from their initial awareness stage, through the engagement process to the post-experience phase. We achieve this by instilling a customer-first culture at our properties, which is reinforced through our values and the SunWay formula for success. Our guest satisfaction system encourages customers to rate their experience at each unit. Their comments provide qualitative and quantitative information to help us determine areas where we can improve, and where our strengths lie. Customer satisfaction scores are aligned to relevant employees' key performance indicators (KPIs) to drive the correct behaviour. We have revised our customer questionnaires to ensure that they are still relevant, and we have a dedicated resource who directs customer satisfaction reports to appropriate managers to guarantee all complaints are closed out timeously and satisfactorily. We conduct ongoing customer service training at properties to enhance our service offering and customer experience and to empower staff in line with the group's employee value proposition. To motivate employees we have introduced several unit-specific recognition awards and a service excellence programme that rewards employees for professional and excellent service. In addition, monthly roadshows are carried out to provide leadership visibility.

On average we achieved a medium to high customer satisfaction rating for most properties. Premium properties such as The Table Bay Hotel achieved excellent satisfaction ratings. Our average group satisfaction rating for 2019 achieved the target rating of 80%. The group needs to ensure we maintain this level of service at all Sun International properties. Therefore, an across-the-board 85% customer satisfaction target has been set for 2020 (gaming and hospitality), against which all general managers will be measured to increase customer service levels. A target of 90% has been set for the gaming's Privé customer satisfaction. Our brand specialist ensures that the group provides consistent experiences across all properties to attract and retain patronage.

With the new central office structure, we anticipate improved synergies across our gaming and hospitality divisions, which should also improve customer satisfaction levels.

Customer complaints about general service are addressed and resolved at each property. Our automatic complaint escalation process ensures that each complaint is resolved in a timely and suitable manner. Most compliments are for exceptional service and friendly staff. Our case management system in the call centre, that pre-emptively provides a customer's history when they contact us, continues to improve customer service and satisfaction levels.

To drive footfall and gain maximum benefit from our properties, particularly in off-peak times, we continue to explore various marketing and promotion initiatives. A newly established group-wide events calendar aims to coordinate all property events to avoid crossovers and to exploit cross-sell opportunities. With the restructure our sports, events, and entertainment team will be part of sales with a focus on driving footfall and spend at our properties for banqueting, gaming and accommodation. Sun International is also a partner in the Discovery loyalty programme. While Sun City's SunPark remains operational, the SunParks at Carnival City and Sibaya were no longer cost effective and will be closed in 2020.

We have realigned our digital department, which now resides within each customer segment. This alignment enables closer cooperation with marketing, sales and management to use our data optimally and make more informed decisions. There is still a lot to do in this space and we are confident that better use of our data and digital capabilities will ensure we drive more direct bookings and are able to better engage with our customers.

It is important to continually maintain and upgrade our iconic properties to ensure they provide guests with lasting memories. Sun City, arguably the most iconic property in our portfolio, continued with refurbishments to the Cascades, which are expected to be completed in October 2020. A Palace mock-up room will be completed by the end of March 2020 and we expect that the Palace room's refurbishment will be completed over the next three years. We are also evaluating the feasibility of converting six rooms in the Palace into a spa to enhance our guests' five-star experience. With Sun City celebrating its 40th year in operation, ongoing infrastructure maintenance is taking place to future proof the property.

The Sun City Vacation Club continues to enjoy high occupancy rates in excess of 80%. Phase two of the room refurbishments were completed in 2019, with no displacement of business or customer inconvenience. Sun International has also earmarked the Vacation Club as an opportunity to expand this timeshare offering to various locations such as the Western Cape, KwaZulu-Natal and Mpumalanga. This will offer guests a variety of scenic beach, mountain and bush experiences. This will also position the group to open its own timeshare exchange, thereby making all iconic properties available to customers, and creating a rental income stream as part the group's hotel inventory.

The group's premium international online gaming software provider (Kambi) continues to enrich Sun International's online sports betting offering, SunBet. SunBet's achieved positive results, increasing 25% (2018: 81%) in the number of bets placed and 67% (2018: 42%) in active users, which resulted in a 68% (2018: 57%) increase in gross gambling revenue (GGR). Going forward, plans are in place to better leverage our iconic properties' gaming and hospitality offerings to further grow the SunBet market. In Latam, the group is in the process of launching a sports betting platform in Peru, which we expect to start trading in the second quarter of 2020.

Sun International continued to provide new products, update machines and refurbish our gambling floors to improve our customer experience and make the gambling floors more competitive. We have also reviewed our Free Play offering to

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Improve our existing operations and guest experience continued

IMPROVE OUR GUEST EXPERIENCE

tactically activate customer reward usage and we introduced a timeframe to redeem Free Play rewards.

The Sun MVG tiered loyalty programme celebrated its silver anniversary (25 years) serving and rewarding our customers. This milestone was leveraged to create awareness and celebrate this loyalty programme by reiterating its benefits to both potential new and existing members through various interventions throughout the year across all properties. The programme also creates a seamless customer experience at all touchpoints. While customers were encouraged to actively engage with our digital communication platforms, the opportunity to collect accurate data, understand customer behaviour and explore opportunities for improved customer service exceeded expectations. We are focused on exploring opportunities to drive new signups, particularly with long-stay hotel guests, to encourage active participation through tiered rewards and benefits at Sun International's properties. Sun International's active MVG customer base of 408 510 at

the end of December 2019 was up 5.2% on the prior period (2018: 388 234).

Sun International launched a strategic partnership with Resorts World at Sea – Crystal Cruises – to reward our most loyal MVG members. Depending on the customers MVG membership tier, they can qualify for a complimentary cruise of up to two weeks on Crystal Cruise's Crystal Serenity and Crystal Symphony luxury ocean liners. In addition, Crystal Cruises also promotes Sun International's gambling and hospitality offerings to attract international customers who can experience Sun International's offerings in Cape Town and Durban at our iconic properties. Going forward, the group is considering prospects to expand this offering through other international operators.

During 2018, SunBet's gaming software was improved to enhance the online user experience and range, increasing its sports content and betting market offering to cover over 241 000 (2018: 100 000) live in-play sports events annually.

LOOKING AHEAD

- Improving customer service to achieve our targeted satisfaction rate of 85% (gaming and hospitality) and 90% (Privé gaming customers) group-wide
- Driving footfall through marketing, ongoing property refurbishments and new product offerings
- Exploring opportunities to expand Sun International's Vacation Club in new and complementary destinations
- Considering options to sign-up with new international cruise line operators
- Better leverage our iconic properties' gaming and hospitality offerings to further grow the SubNet market

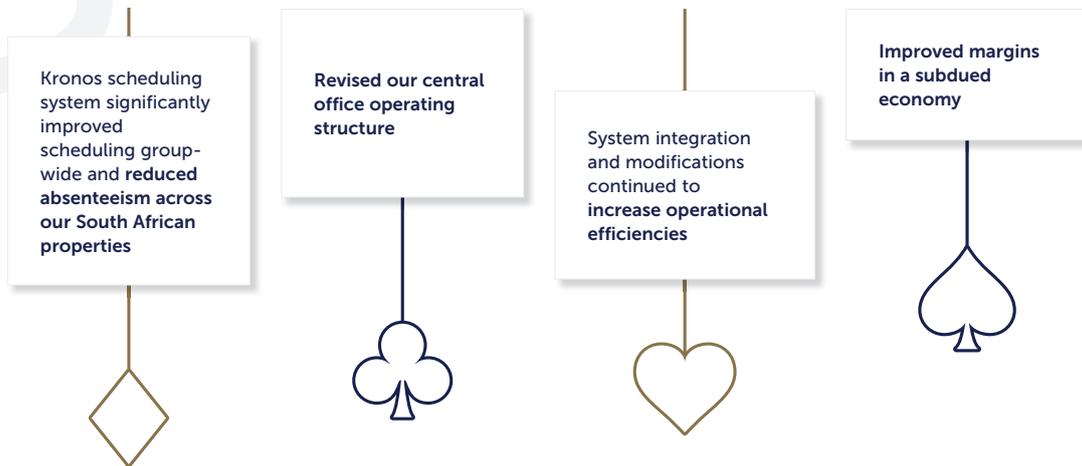


IMPROVE OUR EXISTING OPERATIONS AND OUR GUEST EXPERIENCE

EFFICIENCY AND OPTIMISATION

Optimising our processes and systems helps to contain our costs in a constrained economic environment. Through improved information quality we can make better and more informed strategic decisions, leading to improved guest experiences.

IMPACTS



FOCUS AREAS IN 2019

Self-assessment: ACHIEVED/ GOOD PROGRESS IN PROGRESS LIMITED PROGRESS

<p>Continuing to drive and extract efficiencies across the business and improve margins</p> <hr/> <p>WHAT WE ACHIEVED</p> <p>Margins continued to improve across the business</p>	<p>Aligning the business to continually compete in our changing business environment</p> <hr/> <p>WHAT WE ACHIEVED</p> <p>Implemented the group's new central office operating structure, which we have aligned to our different customer segments</p>	<p>Extracting relevant business intelligence to make informed strategic decisions around customer interaction and behaviour</p> <hr/> <p>WHAT WE ACHIEVED</p> <p>Ongoing system integration resulted in informed strategic decisions around customer interaction and behaviour</p>
<p>Upskilling employees around mobile application development and data security</p> <hr/> <p>WHAT WE ACHIEVED</p> <p>Ongoing awareness to encourage staff to use new mobile application</p>		



Improve our existing operations and guest experience continued

EFFICIENCY AND OPTIMISATION

OVERVIEW

The group's back to basics approach continues to translate into improved efficiencies as well as better use of systems, standards and procedures. Driving operational efficiencies and improving and benchmarking margins across the business remains a focus. We have introduced specific financial targets to monitor progress and the systems integration project, introduced in the comparative period, continues to positively impact on profitability group-wide. We also finalised the new central office operating structure in January 2020, which will further enable efficiencies group-wide and streamline business systems and processes to make Sun International more agile in an already strained operating environment. Our shared services centre continued to improve efficiencies by centralising the finance and payroll functions and enhancing economies of scale. This allowed our properties' operational management to focus on the needs of our employees and customers. The group is committed to expanding the shared services centre across the rest of the group's properties.

On-the-job training, mentoring, succession planning and emphasising the SunWay culture and CLEAR¹ principles are some key drivers to ensure our people deliver meaningful customer experiences and improve back-office efficiencies. Employee training is tracked and monitored to ensure service levels and customer offerings are constantly improved and refreshed.

Our scheduling system, Kronos, has now been implemented at all South African units. This allows us to measure labour costs accurately, improve our scheduling according to business demands, improve payroll processing, reduce overtime costs, and manage staff better based on property demand. During 2019, the big five properties (Boardwalk, GrandWest, Sun City, The Table Bay and Time Square) have included advanced predictive scheduling. This predictive scheduling had a positive impact on operations, and we achieved a notable decrease in absenteeism. The smaller properties have also benefited from using Kronos' time and attendance scheduling and, where feasible, may be upgraded to predictive scheduling. We have also implemented this system at certain outsourced services to improve efficiencies.

Sun International's system integrations and modifications continued to result in increased operational efficiencies, improved transaction accuracy, and standardised systems across our South African operations. These improvements are geared towards strengthening customer service levels to create memorable guest experiences that ensure our properties remain a destination of choice. The focus remains around our customer-facing systems, including efficiencies and food and beverage, which includes standard operating procedures and training videos available on the group intranet.

We continue to look at modernising our world-class gaming systems to ensure relevance, reduce the cost of doing business and enhance customer service levels. This allows us to make better decisions around customer behaviour and experiences. The group's Park Hyatt Hotel, Casino & Spa in Mendoza Argentina, implemented a new gaming system

(Playtech) in February 2020. In determining the most suitable gaming system, we will prioritise factors such as improving customer service, enhancing cashless system abilities within regulatory constraints, and integrating marketing, rewards and promotion capabilities.

Management focused on efficiencies across food and beverage during the year, which were largely derived from cost containment initiatives and using our systems effectively. Food and beverage expenses were well controlled with significant management focus on payroll and scheduling. Effective cost control enabled improvements in the food and beverage margin. Going forward, a group-wide evaluation of all food and beverage outlets will take place to determine the feasibility of outsourcing certain food and beverage outlets.



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LOOKING AHEAD

- Continuing to extract efficiencies and relevant business intelligence to make informed strategic decisions group-wide
- Further leveraging systems integrations and continuing to improve standardised operating procedures
- Continually evaluating and enhancing gaming systems to ensure we remain competitive
- Reviewing our gaming system to determine the best way forward from a customer service perspective and overall cost of ownership
- Determining whether or not to outsource certain food and beverage outlets
- Embedding defined labour productivity standards

1 CLEAR principles: connect, listen, engage, act and reconnect.