

Sun International down more than 7% after trading update

Hotel and gaming group Sun International's share price plummeted more than 7% in mid-morning trade on Wednesday despite the group saying in a trading update that it expects diluted adjusted headline earnings per share (HEPS) for the six months to end-December 2016 to be between 35% and 45% lower than the previous comparable period.



Chantalsmith96 via [Wikimedia Commons](#)

At 10.30am, the group's shares were down 7.09% at R81.71. The stock closed at R87.95 on Tuesday.

Sun International said earlier on Wednesday that diluted adjusted HEPS for the half-year ended December were expected to be between 189c and 223c compared with 344c before.

The group said the Dreams and GPI Slots operations were now consolidated and contributed to a 30% increase in revenue and 24% increase in earnings before interest, tax, depreciation and amortisation (EBITDA) over the year-earlier period.

However, the group said its South African casino operations faced difficult trading conditions linked to an uncertain macroeconomic environment and reduced consumer spend. As a result, South African casino revenue declined by 2.7% following weaker than expected December trading.

Sun City and Table Bay continued to benefit from an increase in international tourists, which helped to boost overall rooms revenue by 14%; EBITDA for the group's South African casino, hotel and resort operations, excluding International VIP

business (IB), was down 8%.

Source: BDpro

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