

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (ABRIDGED)	QUARTER ENDED 31 MARCH (UNAUDITED)		NINE MONTHS ENDED 31 MARCH (UNAUDITED)	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Continuing operations				
Revenue	2,122,949	1,519,356	6,256,755	3,625,151
Operating expenses	(1,461,207)	(1,119,756)	(4,319,773)	(2,854,580)
Earnings before interest, tax, depreciation and amortisation and impairment (charges)/reversals	661,742	399,600	1,936,982	770,571
Impairment (charges)/reversals	(502)	(830)	1,988	4,237
Earnings before interest, tax, depreciation and amortisation	661,240	398,770	1,938,970	774,808
Depreciation and amortisation	(126,661)	(112,328)	(410,235)	(394,938)
Operating profit	534,579	286,442	1,528,735	379,870
Net finance costs	(70,230)	(140,763)	(266,104)	(362,020)
Share of result of joint venture	16,774	9,326	32,668	18,665
Profit before tax	481,123	155,005	1,295,299	36,515
Income tax charge	(67,102)	(31,425)	(199,603)	(28,227)
Profit for the period	414,021	123,580	1,095,696	8,288
Profit/(loss) attributable to:				
Owners of the Company	398,215	119,117	1,054,013	(7,137)
Non-controlling interests	15,806	4,463	41,683	15,425
Profit for the period	414,021	123,580	1,095,696	8,288
Basic and diluted earnings/(loss) per share (Rs)	2.28	0.68	6.04	(0.04)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (ABRIDGED)	QUARTER ENDED 31 MARCH (UNAUDITED)		NINE MONTHS ENDED 31 MARCH (UNAUDITED)	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Other comprehensive income:				
Movement for the period	(190,780)	(3,146)	(181,663)	165,376
Total comprehensive income for the period	223,241	120,434	914,033	173,664
Total comprehensive income attributable to:				
Owners of the Company	220,874	117,937	885,716	152,056
Non-controlling interests	2,367	2,497	28,317	21,608
	223,241	120,434	914,033	173,664

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	31 MARCH 2023 (UNAUDITED)	30 JUNE 2022 (AUDITED)
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,995,274	17,183,844
Right-of-use assets	1,588,445	1,625,698
Intangible assets	230,979	237,087
Investments in associates and joint ventures	354,448	348,900
Other non-current assets	347,202	335,164
	19,516,348	19,730,693
Current assets	4,114,930	2,278,667
Total assets	23,631,278	22,009,360
EQUITY AND LIABILITIES		
Shareholders' equity	10,082,940	8,995,576
Non-controlling interests	873,065	844,748
Total equity	10,956,005	9,840,324
Loans and other borrowings	5,992,720	5,555,645
Lease liabilities	1,670,913	1,664,674
Deferred tax liability	1,381,302	1,252,489
Provision	27,038	33,738
Contract liabilities	83,803	85,844
Employee benefit liability	255,792	219,672
Non-current liabilities	9,411,568	8,812,062
Current liabilities	3,263,705	3,356,974
Total liabilities	12,675,273	12,169,036
Total equity and liabilities	23,631,278	22,009,360
Net debt	3,713,961	5,262,052
Gearing ratio	25.3%	34.8%

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)	QUARTER ENDED 31 MARCH (UNAUDITED)		NINE MONTHS ENDED 31 MARCH (UNAUDITED)	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Operating profit before working capital changes	761,300	476,644	1,949,012	829,223
Movement in working capital	27,521	123,452	(106,426)	575,500
Cash generated from operations	788,821	600,096	1,842,586	1,404,723
Income taxes paid	-	(2,648)	(9,766)	(2,648)
Net cash flows from operating activities	788,821	597,448	1,832,820	1,402,075
Net cash flows used in investing activities	(49,251)	(23,293)	(177,590)	(219,807)
Net cash flows from/(used in) financing activities	436,742	163,297	(398,207)	(1,074,494)
Net increase in cash and cash equivalents	1,176,312	737,452	1,257,023	107,774
Net foreign exchange differences	44,514	19,964	92,285	(3,062)
Cash and cash equivalents - Opening	1,709,195	895,156	1,580,713	1,547,860
CASH AND CASH EQUIVALENTS AT 31 MARCH	2,930,021	1,652,572	2,930,021	1,652,572

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED)	THE GROUP (UNAUDITED)		
	Attributable to owners of the Company Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
At 30 June 2021 (audited)	6,789,628	677,011	7,466,639
Total comprehensive income for the period	152,056	21,608	173,664
At 31 March 2022 (unaudited)	6,896,684	698,619	7,595,303
At 30 June 2022 (audited)	8,995,576	844,748	9,840,324
Total comprehensive income for the period	885,716	28,317	914,033
Convertible bonds	201,648	-	201,648
At 31 March 2023 (unaudited)	10,082,940	873,065	10,956,005

COMMENTARY

The tourism industry continues to sustain its recovery toward pre-COVID levels with tourist arrivals in this quarter reaching 87% of the same quarter in FY19. Against the same quarter last year, arrivals of 305,197 were 92% up as the former was impacted by the outbreak of omicron and the border closure of South African and Reunion. The Group has been able to capitalise on the tourist arrivals to post a commendable performance with profit increasing by almost threefold during this quarter versus the corresponding period in FY19 and more than twofold versus same period of FY22.

Quarterly results

Revenue for the quarter amounted to Rs 2,123 million compared to Rs 1,519 million in 2022 driven by an occupancy of 74% (58.5% in Q3 FY22) and an ADR improvement of 16% versus same quarter last year. As a result, RevPAR for the quarter increased by 47%.

Reported EBITDA for the quarter increased by Rs 262 million over same quarter last year, to finish at Rs 661 million (+66%), with an improved margin of 31% versus 26% in the corresponding period of 2022. Net finance costs of Rs 70 million were lower than the third quarter of 2022 due to exchange gains on retranslation and lower debt level. Profit after tax improved significantly from Rs 124 million last year to Rs 414 million.

As part of its refinancing plan, the Group successfully contracted new loan facilities of Rs 920 million during this quarter to early repay its listed bonds in May 2023. The gearing of the Group stood at 25.3% (30 June 2022: 34.8%) with the loan repayment of Rs 407 million in this quarter.

Nine months' results

Revenue for the nine months increased by 73% to Rs 6.3 billion with EBITDA reaching Rs 1.9 billion from Rs 775 million in previous year. Profit after tax ended at Rs 1.1 billion compared to Rs 8 million in the corresponding period last year when operations only started in the second quarter.

Outlook

The results for the April Easter holidays were good and forward bookings up to our financial year end look promising. Provided trading conditions remain favourable, management expects the last quarter to end on a positive note.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary
10 May 2023

Notes to the above:

- The interim financial report has been prepared in accordance with IAS 34 Interim Financial Statements and using the same accounting policies and methods adopted as the last audited financial statements, except for the adoption of new and amended IFRS in the year commencing 1 July 2022.
- This interim financial report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.
- The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Secretary, free of charge at CIEL Corporate Services Ltd, Ebène Skies, Ebène, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.
- The Board of Directors of Sun Limited accepts full responsibility for the accuracy of the information contained in this report.