

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)	QUARTER ENDED 30 SEPTEMBER (UNAUDITED)	
	2022 Rs'000	2021 Rs'000
Continuing operations		
Revenue	1,543,311	285,189
Operating expenses	(1,236,007)	(552,024)
Earnings/(loss) before interest, tax, depreciation and amortisation and impairment reversals	307,304	(266,835)
Impairment reversals	2,409	728
Earnings/(loss) before interest, tax, depreciation and amortisation	309,713	(266,107)
Depreciation and amortisation	(139,893)	(140,936)
Operating profit/(loss)	169,820	(407,043)
Net finance costs	(150,688)	(120,098)
Share of result of joint venture	2,767	(3,717)
Profit/(loss) before tax	21,899	(530,858)
Income tax (charge)/credit	(13,191)	74,744
Profit/(loss) for the period	8,708	(456,114)
Other comprehensive income, net of tax	382,020	127,676
Total comprehensive income for the period	390,728	(328,438)
Profit/(loss) attributable to:		
Owners of the Company	14,169	(434,623)
Non-controlling interests	(5,461)	(21,491)
	8,708	(456,114)
Total comprehensive income attributable to:		
Owners of the Company	374,013	(313,737)
Non-controlling interests	16,715	(14,701)
	390,728	(328,438)
Basic and diluted earnings/(loss) per share (Rs)	0.08	(2.49)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	30 SEPTEMBER (UNAUDITED)	30 JUNE (AUDITED)
	2022 Rs'000	2022 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,095,505	17,183,844
Right-of-use assets	1,617,709	1,625,698
Intangible assets	234,595	237,087
Investments in associates and joint ventures	324,547	348,900
Other non-current assets	352,783	335,164
	19,625,139	19,730,693
Current assets	2,384,338	2,278,667
Total assets	22,009,477	22,009,360
EQUITY AND LIABILITIES		
Shareholders' equity	9,619,727	8,995,576
Non-controlling interests	861,463	844,748
Total equity	10,481,190	9,840,324
Loans and other borrowings	5,117,766	5,555,645
Lease liabilities	1,645,006	1,664,674
Deferred tax liability	1,264,633	1,252,489
Provision	33,738	33,738
Contract liabilities	84,683	85,844
Employee benefit liability	232,185	219,672
Non-current liabilities	8,378,011	8,812,062
Current liabilities	3,150,276	3,356,974
Total liabilities	11,528,287	12,169,036
Total equity and liabilities	22,009,477	22,009,360
Net debt	4,595,839	5,262,052
Gearing ratio	30.5%	34.8%

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)	QUARTER ENDED 30 SEPTEMBER (UNAUDITED)	
	2022 Rs'000	2021 Rs'000
Operating profit/(loss) before working capital changes	265,889	(250,316)
Movement in working capital	(90,471)	148,886
Cash generated from/(used in) operations	175,418	(101,430)
Income taxes paid	(45)	-
Net cash flows generated from/(used in) operating activities	175,373	(101,430)
Net cash flows used in investing activities	(27,324)	(73,061)
Net cash flows used in financing activities	(249,449)	(46,462)
Net decrease in cash and cash equivalents	(101,400)	(220,953)
Net foreign exchange differences	(64,978)	(10,127)
Cash and cash equivalents - Opening	1,580,714	1,547,858
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	1,414,336	1,316,778

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)	6,242,028	677,011	6,919,039
Total comprehensive income for the period	(313,737)	(14,701)	(328,438)
At 30 September 2021 (unaudited)	5,928,291	662,310	6,590,601
At 30 June 2022 (audited)	8,995,576	844,748	9,840,324
Total comprehensive income for the period	374,013	16,715	390,728
Convertible bonds	250,138	-	250,138
At 31 September 2022 (unaudited)	9,619,727	861,463	10,481,190

COMMENTS ON THE RESULTS

Financial results for the quarter ended 30 September 2022

The Group achieved a much better performance in the first quarter, posting a profit for the first time during this low season period. This was achieved despite the drop in occupancy by 7.2% versus the same quarter in financial year 2019 ("pre-Covid comparable quarter") to finish at 75.5%. Revenue for the quarter stood at Rs 1.5 billion, up by 23% on the pre-Covid comparable quarter, with the increase being mainly attributed to an increase in the Group's ADR of 44.2%.

The Group achieved a good EBITDA flow-through (74.8%) to finish at Rs 310 million compared to Rs 44 million in pre-Covid comparable quarter. Efficiency measures are still being obtained despite food and beverage costs being heavily impacted by inflationary pressures.

Profit after tax was at Rs 9 million (2021: loss of Rs 456 million) compared to Rs 172 million loss in the pre-Covid comparable quarter.

With the loans' repayment of Rs 0.5 billion during the first quarter, the gearing for the Group was further reduced to 30.5% (30 June 2022: 34.8%). At 30 September 2022, the cash balance was Rs 1.4 billion and net debt stood at Rs 4.6 billion.

Outlook

On 20th October 2022, Sun Resorts entered a new era with the launch of its new brand "Sunlife". This brand-led transformation project which includes the new company vision, purpose and values as well as a collection of new customer experiences, will reinvigorate our brand promises and hotel identities.

The booking pace for the second quarter looks encouraging for the Sunlife resorts as well as the Shangri-La Le Touessrok and Four Seasons Mauritius. Provided the current trend continues, the Group should post improved results over the pre-Covid period.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

28 October 2022

Notes to the above:

- The abridged financial statements for the quarter ended 30 September 2022 have been prepared using the same accounting policies and methods adopted in the financial statements for the year ended 30 June 2022, audited by Messrs. PricewaterhouseCoopers, Chartered Accountants, except for the adoption of new and amended IFRS in the year commencing 1 July 2022.
- The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Statements.
- This announcement is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.
- The Board of Directors of Sun Limited accepts full responsibility for the accuracy of the information contained in this report.
- 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, Ebene Skies, Ebene, Mauritius.