

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)	QUARTER ENDED 31 DECEMBER (UNAUDITED)		HALF YEAR ENDED 31 DECEMBER (UNAUDITED)	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Continuing operations				
Revenue	2,590,867	1,820,306	4,133,805	2,105,796
Operating expenses	(1,622,932)	(1,182,507)	(2,858,567)	(1,734,828)
Earnings before interest, tax, depreciation and amortisation and impairment reversals	967,935	637,799	1,275,238	370,968
Impairment reversals	81	4,339	2,490	5,067
Earnings before interest, tax, depreciation and amortisation	968,016	642,138	1,277,728	376,035
Depreciation and amortisation	(143,681)	(141,675)	(283,574)	(282,610)
Operating profit	824,335	500,463	994,154	93,425
Net finance costs	(45,186)	(101,160)	(195,874)	(221,258)
Share of result of joint venture	13,128	13,056	15,894	9,339
Profit/(loss) before tax	792,277	412,359	814,174	(118,494)
Income tax (charge)/credit	(119,311)	(71,545)	(132,501)	3,198
Profit/(loss) for the period	672,966	340,814	681,673	(115,296)
Other comprehensive income, net of tax	(372,903)	40,845	9,117	168,522
Total comprehensive income for the period	300,063	381,659	690,790	53,226
Profit/(loss) attributable to:				
Owners of the Company	641,628	308,361	655,796	(126,258)
Non-controlling interests	31,338	32,453	25,877	10,962
	672,966	340,814	681,673	(115,296)
Total comprehensive income attributable to:				
Owners of the Company	290,828	347,847	664,840	34,115
Non-controlling interests	9,235	33,812	25,950	19,111
	300,063	381,659	690,790	53,226
Basic and diluted earnings/(loss) per share (Rs)	3.68	1.77	3.76	(0.72)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	31 DECEMBER 2022 (UNAUDITED)	30 JUNE 2022 (AUDITED)
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,050,828	17,183,844
Right-of-use assets	1,604,423	1,625,698
Intangible assets	232,599	237,087
Investments in associates and joint ventures	337,675	348,900
Other non-current assets	340,201	335,164
	19,565,726	19,730,693
Current assets	3,243,424	2,278,667
Total assets	22,809,150	22,009,360
EQUITY AND LIABILITIES		
Shareholders' equity	9,886,209	8,995,576
Non-controlling interests	870,698	844,748
Total equity	10,756,907	9,840,324
Loans and other borrowings	3,958,552	5,555,645
Lease liabilities	1,651,670	1,664,674
Deferred tax liability	1,337,496	1,252,489
Provision	32,538	33,738
Contract liabilities	87,229	85,844
Employee benefit liability	244,159	219,672
Non-current liabilities	7,311,644	8,812,062
Current liabilities	4,740,599	3,356,974
Total liabilities	12,052,243	12,169,036
Total equity and liabilities	22,809,150	22,009,360
Net debt	4,212,197	5,262,052
Gearing ratio	28.1%	34.8%

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)	QUARTER ENDED 31 DECEMBER (UNAUDITED)		HALF YEAR ENDED 31 DECEMBER (UNAUDITED)	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Operating profit before working capital changes	905,571	602,888	1,171,455	352,576
Movement in working capital	(43,122)	303,186	(133,589)	452,058
Cash generated from operations	862,449	906,074	1,037,866	804,634
Income taxes paid	(10,075)	-	(10,120)	-
Net cash flows from operating activities	852,374	906,074	1,027,746	804,634
Net cash flows used in investing activities	(84,750)	(123,454)	(112,074)	(196,516)
Net cash flows used in financing activities	(585,498)	(1,191,329)	(834,950)	(1,237,790)
Net increase/(decrease) in cash and cash equivalents	182,126	(408,709)	80,722	(629,672)
Net foreign exchange differences	112,748	(12,900)	47,770	(23,026)
Cash and cash equivalents - Opening	1,414,331	1,316,771	1,580,713	1,547,860
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	1,709,205	895,162	1,709,205	895,162

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)	6,517,028	677,011	7,194,039
Total comprehensive income for the period	34,115	19,111	53,226
At 30 December 2021 (unaudited)	6,551,143	696,122	7,247,265
At 30 June 2022 (audited)	8,995,576	844,748	9,840,324
Total comprehensive income for the period	664,840	25,950	690,790
Convertible bonds	225,793	-	225,793
At 31 December 2022 (unaudited)	9,886,209	870,698	10,756,907

COMMENTARY

The Group made a significant recovery this semester after two years of major pandemic-related disruptions in the tourism industry with tourist arrivals reaching 85% of pre-covid level. For the first half of the financial year, and notably so in the second quarter, the Group recorded an excellent performance with all its resorts and business units performing better than at pre-covid times.

Quarterly results

Revenue for the quarter stood at Rs 2.6 billion, up 42% on the same quarter last year with occupancy of 80.4% and RevPAR up by 39%. This was due to all markets performing well in our high season as opposed to last year when the Omicron virus had a strong impact on our French and South African markets mainly.

The Group achieved an EBITDA of Rs 968 million, 51% better than the corresponding quarter of last year and 36% better than Q1 FY20 ("pre-Covid comparable quarter"). An improvement in EBITDA margin was also recognised from 35% in Q2 FY22 to 37% in this quarter (Q2 FY20: 35%).

Net finance costs of Rs 45m were lower than the second quarter of 2021 mainly due to exchange gains on retranslation. Profit after tax improved significantly from Rs 341 million last year to Rs 673 million.

With the loans' repayment of Rs 0.4 billion during this quarter, the gearing for the Group was further reduced to 28.1% (30 June 2022: 34.8%). At 31 December 2022, the Group's cash balance was Rs 1.7 billion and leading to a net debt of Rs 4.2 billion.

Half-Yearly results

Revenue for the half year increased by 95% to Rs 4.1 billion with normalised EBITDA reaching Rs 1.3 billion from Rs 371 million in previous year. Profit after tax ended at Rs 682 million compared to a loss of Rs 115 million in the corresponding semester last year where operations only started in the second quarter.

On a pre-Covid comparable basis, the Group almost tripled profit after tax compared to HY1 FY20.

Outlook

Rising exchange rates, higher electricity costs and inflation are a source of concern. However, booking trends for the third quarter look promising and notwithstanding any unexpected change in trading conditions, the results should show good improvement on the corresponding quarter of last year.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary
9 February 2023

Notes to the above:

- The abridged financial statements for the quarter ended 31 December 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, Ebène Skies, Ebène, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.