

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED 31 DECEMBER 2024 (UNAUDITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)	QUARTER ENDED 31 DECEMBER (UNAUDITED)		HALF YEAR ENDED 31 DECEMBER (UNAUDITED)	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations (Sunlife)				
Revenue	1,783,729	1,603,955	2,997,309	2,722,556
Operating expenses	(1,077,429)	(943,092)	(2,020,476)	(1,768,624)
Earnings before interest, tax, depreciation and amortisation and impairment reversals	706,300	660,863	976,833	953,932
Impairment reversals	(1,088)	(488)	(1,975)	(975)
Earnings before interest, tax, depreciation and amortisation	705,212	660,375	974,858	952,957
Depreciation and amortisation	(84,961)	(70,946)	(157,792)	(136,167)
Operating profit	620,251	589,429	817,066	816,790
- Finance costs on other loans and borrowings	(31,136)	(34,508)	(54,972)	(71,967)
- Net foreign exchange (loss)/gain	(2,224)	91,109	7,611	90,659
- Finance cost on lease liabilities	(21,647)	(19,103)	(41,356)	(38,354)
Net finance (costs)/income	(55,007)	37,498	(88,717)	(19,662)
Share of results of joint venture and associate	5,588	16,714	19,148	25,976
Profit before tax	570,832	643,641	747,497	823,104
Income tax charge	(138,286)	(92,007)	(170,193)	(119,255)
Profit for the period from continuing operations (Sunlife)	432,546	551,634	577,304	703,849
Profit/(loss) for the period from discontinued operations (Riveo)	3,834	267,211	(118,615)	253,654
Profit for the period	436,380	818,845	458,689	957,503
Profit attributable to:				
Owners of the Company	430,321	779,240	485,965	926,200
Non-controlling interests	6,059	39,605	(27,276)	31,303
	436,380	818,845	458,689	957,503
Other comprehensive income:				
Movement for the period	100,965	(129,796)	44,997	62,181
Total comprehensive income for the period	537,345	689,049	503,686	1,019,684
Total comprehensive income attributable to:				
Owners of the Company	522,859	656,289	526,739	984,102
Non-controlling interests	14,486	32,760	(23,053)	35,582
	537,345	689,049	503,686	1,019,684
Earnings per share for profit from continuing operations attributable to the equity holders of the Company:				
Basic and diluted earnings per share (Rs)	2.45	2.94	3.47	3.86
Earnings per share for profit attributable to the equity holders of the Company:				
Basic and diluted earnings per share (Rs)	2.47	4.47	2.79	5.31

The results of discontinued for the quarter and semester include operations up to 30 November 2024, as compared to operation for full quarter and operation last year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	31 DECEMBER 2024		30 JUNE 2024	
	UNAUDITED		AUDITED	
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets				
Property, plant and equipment		9,700,701		7,989,994
Right-of-use assets		1,389,692		880,543
Intangible assets		528,994		13,351
Investments in associates and joint ventures		132,186		748,649
Other non-current assets		104,973		121,474
		11,856,546		9,754,011
Current assets				
Assets held for distribution		2,520,133		1,805,225
		-		12,021,290
Total assets		14,376,679		23,580,526
EQUITY AND LIABILITIES				
Shareholders' equity				
Shareholders' equity		3,581,556		9,085,147
Non-controlling interests		1,040,265		948,488
Convertible bonds		1,991,742		3,086,192
Total equity		6,613,563		13,119,827
Loans and other borrowings				
Loans and other borrowings		2,165,050		1,929,907
Lease liabilities		1,376,797		1,158,011
Deferred tax liability		927,626		579,477
Provision		23,283		19,261
Contract liabilities		57,025		56,902
Employee benefit liability		281,352		282,011
Non-current liabilities		4,831,133		4,025,569
Current liabilities				
Current liabilities		2,931,984		2,592,187
Liabilities directly associated with assets held for distribution		-		3,842,943
Total liabilities		7,763,117		10,460,699
Total equity and liabilities		14,376,679		23,580,526
Group's net debt		2,163,133		1,518,563
Gearing ratio		24.6%		23.5%*

* Gearing ratio at 30 June 2024 adjusted for a like for like comparison

Note: Where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)	QUARTER ENDED 31 DECEMBER (UNAUDITED)		HALF YEAR ENDED 31 DECEMBER (UNAUDITED)	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Operating profit before working capital changes	860,215	1,188,028	1,021,143	1,574,594
Movement in working capital	(93,226)	(309,582)	(162,547)	(328,240)
Cash generated from operations	766,989	878,446	858,596	1,246,354
Income taxes paid	(89,591)	(29,680)	(93,222)	(29,680)
Net cash flows from operating activities	677,398	848,766	765,374	1,216,674
Net cash flows used in investing activities	(1,450,062)	(99,684)	(1,833,915)	(210,890)
Net cash flows from/(used in) financing activities	673,296	(737,446)	224,880	(1,308,351)
Net (decrease)/increase in cash and cash equivalents	(99,368)	11,636	(843,661)	(302,567)
Net foreign exchange differences	(28,397)	32,555	(12,407)	2,366
Cash and cash equivalents - Opening	805,823	1,477,824	1,534,126	1,822,216
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	678,058	1,522,015	678,058	1,522,015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED)	THE GROUP (UNAUDITED)			
	Attributable to owners of the Company	Non-controlling interests	Convertible bonds	Total equity
	Rs'000	Rs'000		Rs'000
At 30 June 2023 (audited)	7,757,806	926,097	3,086,192	11,770,095
Total comprehensive income for the period	984,102	35,582	-	1,019,684
Convertible bonds	(48,689)	-	-	(48,689)
Dividends	-	(251)	-	(251)
At 31 December 2023 (unaudited)	8,693,219	961,428	3,086,192	12,740,839
At 30 June 2024 (audited)	9,085,147	948,488	3,086,192	13,119,827
Total comprehensive income for the period	526,739	(23,053)	-	503,686
Distribution following scheme of arrangement	(8,969,016)	-	-	(8,969,016)
Derecognition of subsidiaries following scheme of arrangement	2,978,426	(917,999)	(1,094,450)	965,977
Acquisition of subsidiaries	-	1,033,330	-	1,033,330
Convertible bonds	(39,740)	-	-	(39,740)
Dividends	-	(501)	-	(501)
At 31 December 2024 (unaudited)	3,581,556	1,040,265	1,991,742	6,613,563

RESTRUCTURING

Sun Limited ("SUN") has successfully completed its restructuring exercise to enhance strategic focus and shareholder value by separating its core operations into two distinct listed groups as previously announced. Effective 1 December 2024, the shares of Riveo Limited ("Riveo"), holding Four Seasons, Shangri-La Le Touessrok and Ile Aux Cerfs were distributed by SUN to its existing shareholders.

The results of these three entities have been consolidated as discontinued operations for the months of October and November 2024. Thus, in this quarter, the results of SUN still consolidate two months results of Riveo under discontinued operations but last year figures for the latter are not comparable as it includes a full quarter of operation.

This strategic move positions SUN to focus on its core operations, ensuring long-term profitability and growth.

COMMENTARY

The Mauritius tourism industry continued its positive trend in Q2 FY25, with tourist arrivals of 410,377, representing a 4.1% increase compared to same quarter last year. The top three countries of origin for tourists during this quarter were France at 27%, followed by UK (11%) and Germany (8%).

RESULTS

Continuing operations - Sunlife

Quarter 2

Revenue for Q2 FY25 reached Rs 1.8 billion, reflecting an 11.2% growth, driven by an 10.8% increase in ADR and an occupancy rate of 82.8% (+3.2% over SQLY). EBITDA improved by 6.9% to Rs 706 million (Healthy 39.6% margin) despite a 26.2% increase in payroll costs attributed to mandatory relativity wage adjustments and the 14th month bonus.

Net finance costs of Rs 55 million, versus finance income of Rs 37 million in Q2 FY24, were primarily driven by cash flow hedge releases on loan repayments and translation losses on foreign-denominated receivables and cash balances.

In July 2024, the Government imposed 2% Corporate Climate Responsibility Levy (CCR) on top of the existing Environment Protection Fee - 0.85% of revenue, that impacted the income tax charge for the quarter by Rs 34 million, including a retrospective one-off adjustment of Rs 22 million relating to FY24.

Profit after tax reached Rs 433 million, compared to Rs 552 million in the corresponding quarter of last year. Excluding the one off impact of CCR catch-up, 14th month bonus and the mandatory relative wage adjustments, profit after tax would have been at par with last year.

Half year results

For the half-yearly results, revenue increased by 10.1% to Rs 3.0 billion, with a 12.5% growth in RevPAR. As commented in Quarter 2, the impact of the exceptional increase in employee benefits (+Rs 160m) eroded most of the revenue increase and EBITDA improved by only Rs 23 million to finish at Rs 977 million.

Profit after tax reached Rs 577 million compared to Rs 704 million for the same period last year as the CCR tax and the foreign exchange losses accounted for the variances.

Gearing ratio of 24.6% as at 31 December 2024 remained almost in line with the end of the last financial year.

Discontinued operations - Riveo

Quarter 2

Profit from discontinued operations for Q2 FY25 was Rs 3.8 million, a significant decline of Rs 263 million compared to Q2 FY24. Key variances include:

- Closure of Shangri-La Le Touessrok for renovation with closure costs estimated Rs 25 million;
- Introduction of the CCR levy impacting profits by Rs 53 million; and
- Consolidation of only two months of results compared to three months in Q2 FY24 (Note: December 2023 was Rs 135 million).

Half year results

The half-year loss of Rs 119 million (HY1 FY24 profit of Rs 254 million) reflect the impact of only five months' results up to 30 November 2024 (six months in HY1 FY24) and was impacted primarily by estimated closure costs of Rs 180 million for Shangri-La Le Touessrok's renovation and the CCR levy of Rs 50 million.

OUTLOOK

Forward bookings to-date look positive, although competition in key markets is intense. ADR is likely to face pressure due to exchange rate volatility and heightened competition, particularly in the European segment. Increased operating costs encountered in the first semester will continue to impact the second half but management is actively implementing productivity measures to mitigate these challenges and sustain margins.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

10 February 2025

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 2024.
- 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

sunlife

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