

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)	QUARTER ENDED 31 DECEMBER (UNAUDITED)		HALF YEAR ENDED 31 DECEMBER (UNAUDITED)	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Revenue	2,768,364	2,591,921	4,576,521	4,133,783
Operating expenses	(1,689,456)	(1,624,078)	(3,098,726)	(2,858,728)
Earnings before interest, tax, depreciation and amortisation and impairment reversals	1,078,908	967,843	1,477,795	1,275,055
Impairment reversals	453	81	871	2,490
Earnings before interest, tax, depreciation and amortisation	1,079,361	967,924	1,478,666	1,277,545
Depreciation and amortisation	(141,412)	(143,589)	(276,977)	(283,391)
Operating profit	937,949	824,335	1,201,689	994,154
Net finance income/(costs)	8,641	(45,186)	(96,815)	(195,874)
Share of result of joint venture	16,714	13,128	25,976	15,894
Profit before tax	963,304	792,277	1,130,850	814,174
Income tax charge	(144,457)	(119,311)	(173,347)	(132,501)
Profit for the period	818,847	672,966	957,503	681,673
Profit attributable to:				
Owners of the Company	779,242	641,628	926,200	655,796
Non-controlling interests	39,605	31,338	31,303	25,877
	818,847	672,966	957,503	681,673
Other comprehensive income:				
Movement for the period	(129,796)	(372,903)	62,181	9,117
Total comprehensive income for the period	689,051	300,063	1,019,684	690,790
Total comprehensive income attributable to:				
Owners of the Company	656,291	290,828	984,102	664,840
Non-controlling interests	32,760	9,235	35,582	25,950
	689,051	300,063	1,019,684	690,790
Basic and diluted earnings per share (Rs)	4.47	3.68	5.31	3.76

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	31 DECEMBER 2023	30 JUNE 2023
	Rs'000 UNAUDITED	Rs'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	18,070,670	18,070,344
Right-of-use assets	1,462,094	1,595,986
Intangible assets	239,635	238,196
Investments in associates and joint ventures	373,605	347,629
Other non-current assets	251,088	270,133
	20,397,092	20,522,288
Current assets	3,117,634	2,712,949
Total assets	23,514,726	23,235,237
EQUITY AND LIABILITIES		
Shareholders' equity	11,779,411	10,843,998
Non-controlling interests	961,428	926,097
Total equity	12,740,839	11,770,095
Loans and other borrowings	4,094,451	4,433,102
Lease liabilities	1,536,214	1,664,250
Deferred tax liability	1,621,160	1,516,553
Provision	20,440	20,940
Contract liabilities	80,520	82,349
Employee benefit liability	301,530	288,446
Non-current liabilities	7,654,315	8,005,640
Current liabilities	3,119,572	3,459,502
Total liabilities	10,773,887	11,465,142
Total equity and liabilities	23,514,726	23,235,237
Net debt	3,122,277	3,447,664
Gearing ratio	19.7%	22.7%

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)	QUARTER ENDED 31 DECEMBER (UNAUDITED)		HALF YEAR ENDED 31 DECEMBER (UNAUDITED)	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Operating profit before working capital changes	1,161,166	901,474	1,571,022	1,245,629
Movement in working capital	(282,616)	(45,986)	(324,454)	(132,657)
Cash generated from operations	878,550	855,488	1,246,568	1,112,972
Income taxes paid	(29,680)	(9,722)	(29,680)	(9,767)
Net cash flows from operating activities	848,870	845,766	1,216,888	1,103,205
Net cash flows used in investing activities	(99,686)	(73,834)	(210,895)	(120,783)
Net cash flows used in financing activities	(737,550)	(584,696)	(1,308,560)	(834,147)
Net increase/(decrease) in cash and cash equivalents	11,634	187,236	(302,567)	148,275
Net foreign exchange differences	32,555	107,639	2,366	(19,783)
Cash and cash equivalents - Opening	1,477,826	1,414,330	1,822,216	1,580,713
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	1,522,015	1,709,205	1,522,015	1,709,205

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 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
At 30 June 2023 (audited)	10,843,998	926,097	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)	11,779,411	961,428	12,740,839

COMMENTARY

In the calendar year 2023, tourist arrivals are anticipated to be close to 1.3 million, showing a continuous recovery in the local tourism sector, with figures reaching 96% of the pre-COVID level. Mauritius welcomed 388,139 tourists this quarter (December statistics are still provisional), representing a growth of 8.1% over the corresponding period last year.

RESULTS

Quarterly results

The Group revenue for the quarter was at Rs 2.8 billion, a growth of 6.8% on previous year whilst Revenue per Available Room grew by 9% over the same period. This improvement was primarily driven by an increase of 16% in the average daily rate which largely offset a slightly lower occupancy level. EBITDA improved by 11.5% to Rs 1.1 billion with margin improving from 37% to 39%.

The Group profit after tax reached Rs 819 million, a 21.7% growth over Q2 FY23.

Half year results

For the half-yearly results, Group revenue increased by 10.7% to Rs 4.6 billion, with EBITDA improving to Rs 1.5 billion. Group profit after tax reached Rs 958 million compared to Rs 682 million for the same period last year.

The Group's cash level was at Rs 1.5 billion as of 31 December 2023 leading to a net debt for the Group of Rs 3.1 billion. Gearing ratio was at a healthy 19.7%, down from 22.7% as at 30 June 2023.

OUTLOOK

The forward bookings for Q3, are promising, demonstrating growth compared to the same period last year. However, it is important to acknowledge that the recent mandatory payroll increases will impact our margins. Accordingly, managing costs in the current inflationary environment will remain a major focus for the Group going forward.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

13 February 2024

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 2023.
- 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.