



FINANCIAL YEAR 2022

# SUN LIMITED

## ANALYST MEETING

28 SEPTEMBER 2022

Sun

Hotels | Properties | Services





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- 01 Industry Environment**
  - 02 FY22 Key Achievements**
  - 03 FY22 Financial Highlights**
  - 04 Going Forward | Challenges & Priorities**
  - 05 Future Outlook**
  - 06 Q & A**





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INDUSTRY ENVIRONMENT

- “Pent-up demand” until December 2022 with very short booking window
- Removal of health protocols since 1 July 2022
- Average length of stay +13/15% vs FY19
  
- **Markets:**
  - Reunion and India just reopening
  - China closed until 2023
  - Competition : Mauritius and worldwide / Non-hotel accommodations
  
- Uncertainties for 2023: inflation worldwide / economic slow down / Ukraine war duration / loss of purchasing power / petrol and flight tickets prices / more competing destinations open

Recovery Percentages															
	Air seats			Tourist arrivals			Tourist nights			Tourism earnings, Rs Mn			Room occupancy rate - AHRIM survey		
	2022	2019	%	2022	2019	%	2022	2019	%	2022	2019	%	2022	2019	%
Jan	106,172	247,881	42.8	40,028	122,273	32.7	741,046	1,688,416	43.9	4,343	6,178	70.3	45%	74%	60.8
Feb	88,391	191,860	46.1	52,724	115,613	45.6	601,112	1,138,567	52.8	3,556	5,140	69.2	47%	77%	61.0
Mar	113,783	214,836	53.0	66,066	114,419	57.7	846,176	1,290,876	65.6	4,640	5,200	89.2	54%	72%	75.0
Apr	130,897	182,026	71.9	84,268	108,565	77.6	971,663	1,104,716	88.0	4,296	5,450	78.8	67%	72%	93.1
May	126,018	175,213	71.9	70,462	96,814	72.8	835,008	994,978	83.9	4,309	4,915	87.7	63%	67%	94.0
Jun	122,182	168,870	72.4	63,008	92,398	68.2	724,862	928,336	78.1	4,128	4,169	99.0	54%	65%	83.1
Jul	160,280	202,858	79.0	94,084	115,448	81.5		1,125,691			4,937		66%	69%	95.7
Aug	159,488	197,482	80.8	86,605	107,275	80.7		1,365,811			4,753			74%	
Sep		179,814			100,837			1,108,441			4,362			76%	
Oct		206,538			129,018			1,172,012			5,434			76%	
Nov		204,955			128,730			1,254,028			5,964			82%	
Dec		224,954			152,098			1,293,993			6,605			78%	
<b>Year</b>		<b>2,397,287</b>			<b>1,383,488</b>			<b>14,465,865</b>			<b>63,107</b>			<b>73%</b>	
<b>Cumulative</b>	<b>1,007,211</b>	<b>1,581,026</b>	<b>63.7</b>	<b>557,245</b>	<b>872,805</b>	<b>63.8</b>	<b>4,719,867</b>	<b>7,145,889</b>	<b>66.1</b>	<b>25,272</b>	<b>31,052</b>	<b>81.4</b>	<b>57%</b>	<b>71%</b>	<b>80.3</b>
Quarter 1	308,346	654,577	47.1	158,818	352,305	45.1	2,188,334	4,117,859	53.1	12,539	16,518	75.9	49%	74%	66.0
Quarter 2	379,097	526,109	72.1	217,738	297,777	73.1	2,531,533	3,028,030	83.6	12,733	14,534	87.6	62%	68%	91.2

Selected source markets	2022/19	
	Jul	Jan - Jul
France	90.7%	68.0%
Germany	80.4%	66.1%
United Kingdom	114.0%	94.4%
Reunion Island	55.6%	32.1%
South Africa	104.0%	80.0%
India	64.6%	40.1%
<b>All countries</b>	<b>81.5%</b>	<b>61.5%</b>

- Notes:**
- Aug Air seat capacity at 80% of 2019 → forecast 90% by November 2022
  - Jan – Mar (Q3) Room Nights higher recovery than arrivals → Average LOS +18%
  - Hotel room occupancy has higher recovery than arrivals → Higher % going to hotels/longer stays
  - Q1 Tourism earnings recovery higher than tourist arrivals → longer stay / higher spend



## TOURIST ARRIVAL STATS - MAURITIUS

PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	Q-3	Q-4
											TOTAL	TOTAL
21-22	54,428	65,758	49,628	39,734	52,402	65,872	84,177	70,462	63,008	545,469	158,008	217,647
18-19	131,272	121,600	145,410	113,660	107,145	107,959	108,265	96,814	92,398	1,024,523	328,764	297,477
%	41%	54%	34%	35%	49%	61%	78%	73%	68%	53%	48%	73%

## TOURIST ARRIVAL STATS - SEYCHELLES

PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	Q-3	Q-4
											TOTAL	TOTAL
21-22	27,140	24,411	24,472	21,566	27,404	28,685	32,500	25,023	21,109	232,310	77,655	78,632
18-19	33,725	31,042	36,216	29,463	36,807	35,244	37,103	22,730	25,761	288,091	101,514	85,594
%	80%	79%	68%	73%	74%	81%	88%	110%	82%	81%	76%	92%

## TOURIST ARRIVAL STATS - MALDIVES

PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	Q-3	Q-4
											TOTAL	TOTAL
21-22	142,066	144,725	164,284	131,764	149,008	150,739	145,279	129,668	107,281	1,264,814	431,511	382,228
18-19	127,393	125,604	150,818	151,552	168,583	162,843	163,114	103,022	113,475	1,266,404	482,978	379,611
%	112%	115%	109%	87%	88%	93%	89%	126%	95%	100%	89%	101%

## TOURIST ARRIVAL STATS - SRI LANKA

PERIOD	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	Q-3	Q-4
											TOTAL	TOTAL
21-22	22,771	44,294	89,506	82,327	96,507	106,500	62,980	30,207	32,856	567,948	285,334	126,043
18-19	153,123	195,582	253,169	244,239	252,033	244,328	166,975	37,802	63,072	1,610,323	740,600	267,849
%	15%	23%	35%	34%	38%	44%	38%	80%	52%	35%	39%	47%



**Sun**  
Hotels | Properties | Services

# FY22 KEY ACHIEVEMENTS

## FY22 KEY ACHIEVEMENTS

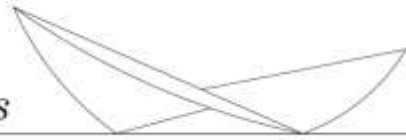
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- Sales and Marketing reorganisation
- Successfully managed the crisis
  - Cost management / Productivity committees / Leaner structures
  - Breakeven occupancy 2019 - lowered by 10 points
  - MIC / Bonds repayment / Kanuhura sale / Cash flow management
  - Quarantine business and Health protocols management
- Sugar Beach renovation completed (higher ADR positioning) + Four Seasons soft renovation
- Successful reopening of our resorts - return to profitability in FY22 (in spite of Omicron breakout in December 2021)
- Improved performance v/s FY19 – Long Beach and Shangri-La
- Operations reorganisation
- Excellent performance of Solea and World Leisure
- Digitalisation: Mobile App implementation at Sugar Beach
- Property: Launch of La Pirogue Residences sales



*La Pirogue Residences*

MAURITIUS







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Hotels | Properties | Services

# FY22 FINANCIAL HIGHLIGHTS



- Operations started in a phased approach from 1 October 2021
- MUR exchange rate versus EUR and GBP helped to improve ADR
- High inflation experienced in Food (+49%), Utilities -Gas (+42%) and diesel (+22%), Beverage (+16%) and transport (+19%) versus FY19
- GWAS helped in first semester with the restart of operations
- Cash balance kept healthy at Rs 1.6bn at 30 June 2022
- Revaluation of Freehold Land and Buildings resulted in a gain of Rs 2.1bn

# FY22 KEY FINANCIAL HIGHLIGHTS

## Return to profitability after 2 years of COVID-19

### YEAR ENDED 30 JUNE 2022 (AUDITED)

**REVENUE**

**Rs 5,165m**

↑ Rs 3,970m vs LY

↓ Rs 1,051m vs FY19

**EBITDA**  
*before exceptional items*

**Rs 1,212m**

↑ Rs 1,801m vs LY

↓ Rs 242m vs FY19

**PAT**  
*from continuing operations*

**Rs 200m**

↑ Rs 2,032m vs LY

↑ Rs 28m vs FY19

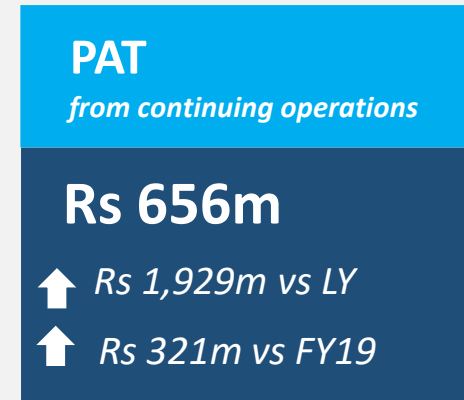
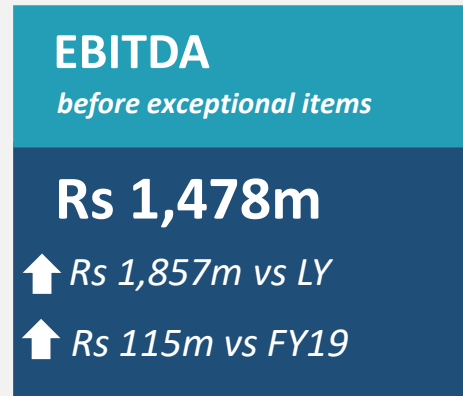
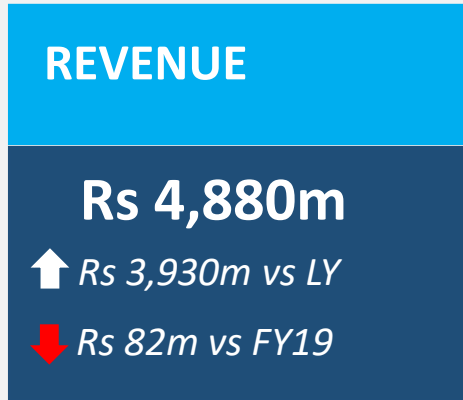
	FY22	FY19
Occupancy	48.1%	72.4%
ADR (Rs)	11,933	9,386
TRevPAR (Rs)	8,971	11,134



## FY22 KEY FINANCIAL HIGHLIGHTS

For the 9 months to 30 June 2022, occupancy attained 78% of that of FY19

### 9 MONTHS TO 30 JUNE 2022 (UNAUDITED)



	FY22	FY19
Occupancy	55.5%	71.2%
ADR (Rs)	13,453	10,368
TRevPAR (Rs)	11,636	11,814

## Improvement in financial ratios

Financial Ratios	2022	2019	Var
Earnings/(loss) per share from continuing operations	1.06	0.99	7.43% ↑
Net worth per ordinary share ("NWS")	51.57	43.78	17.80% ↑
EBITDA* margin	23.47%	23.40%	0.30% ↑
Operating profit margin	12.81%	10.63%	20.51% ↑
Return on Capital Employed	4.31%	10.96%	60.70% ↓
Return on Investment	5.51%	7.11%	22.56% ↓
Net debt to EBITDA*	4.34	5.66	23.34% ↑
Gearing ratio excluding finance leases	34.84%	48.10%	27.56% ↑
Total liabilities to total equity	105.55%	142.05%	25.69% ↑
Interest cover	1.59	1.44	9.80% ↑
Current Ratio	0.68	0.57	19.09% ↑

**Definitions:**

Return on Capital Employed =  
 EBIT / (Equity + Net debt)  
 Return on Investment = EBITDA\*  
 / Total Assets less Interco  
 balances receivable

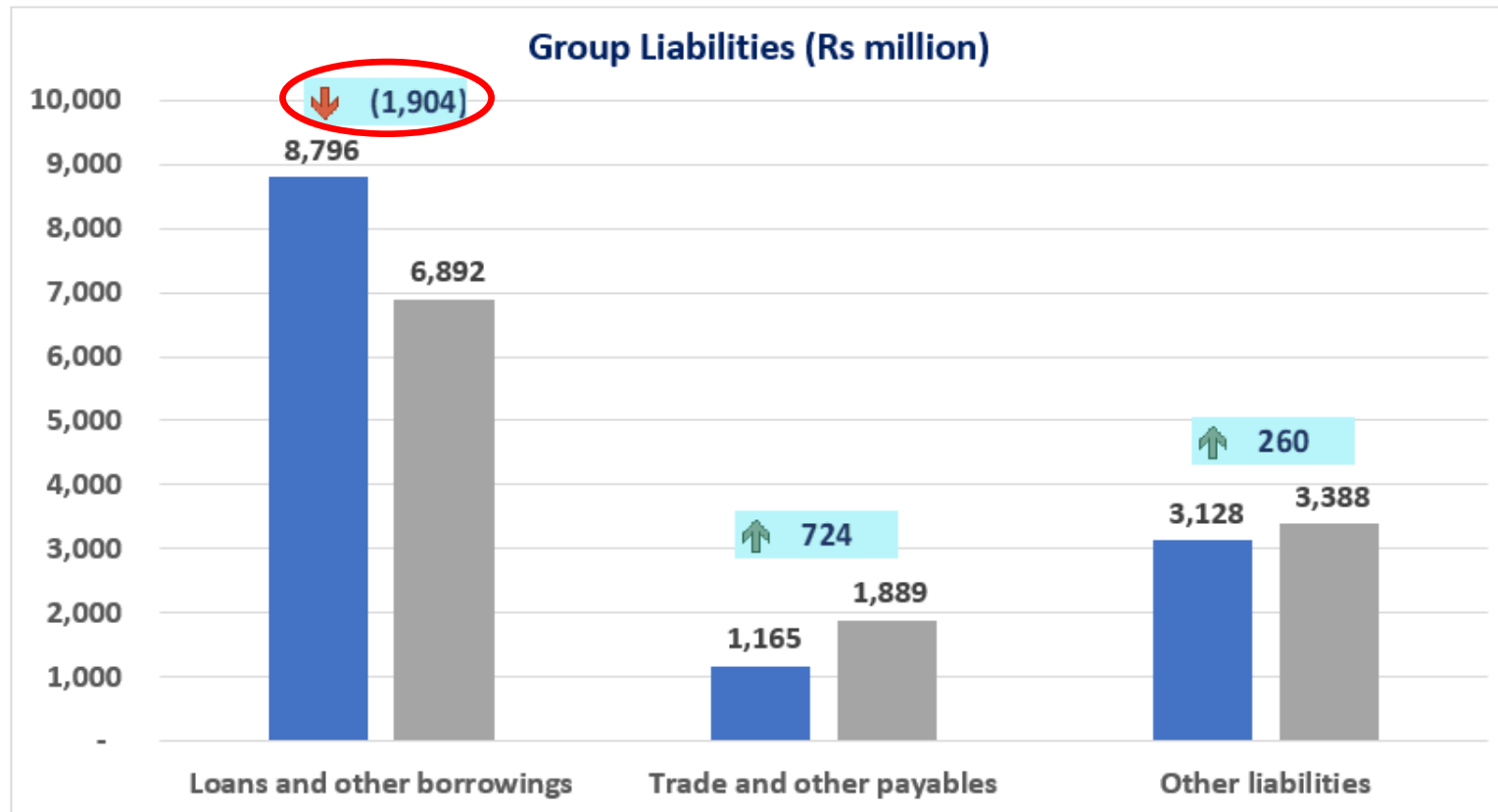
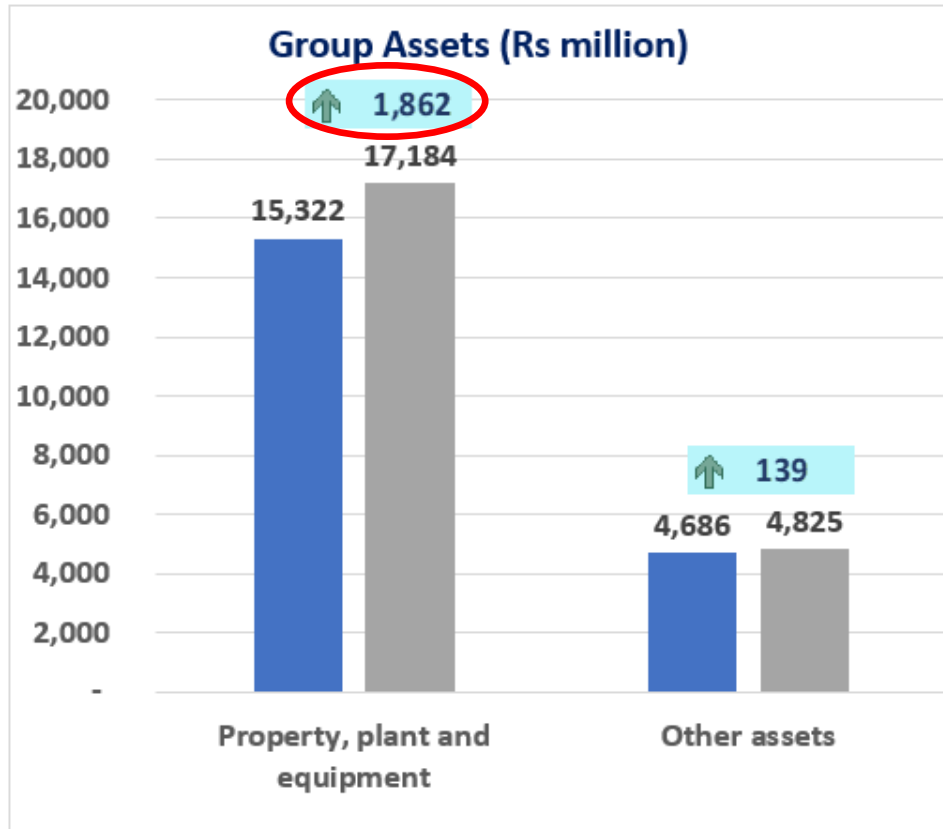
\*EBITDA before exceptional  
 items, e.g., impairment  
 charges, operating lease  
 expenses, etc.

- 9 months trading in 2022
- Market price is trading at 35% below NWS
- ROCE/ROI lower than FY19 due to the revaluation of L&B



# FY22 BALANCE SHEET HIGHLIGHTS

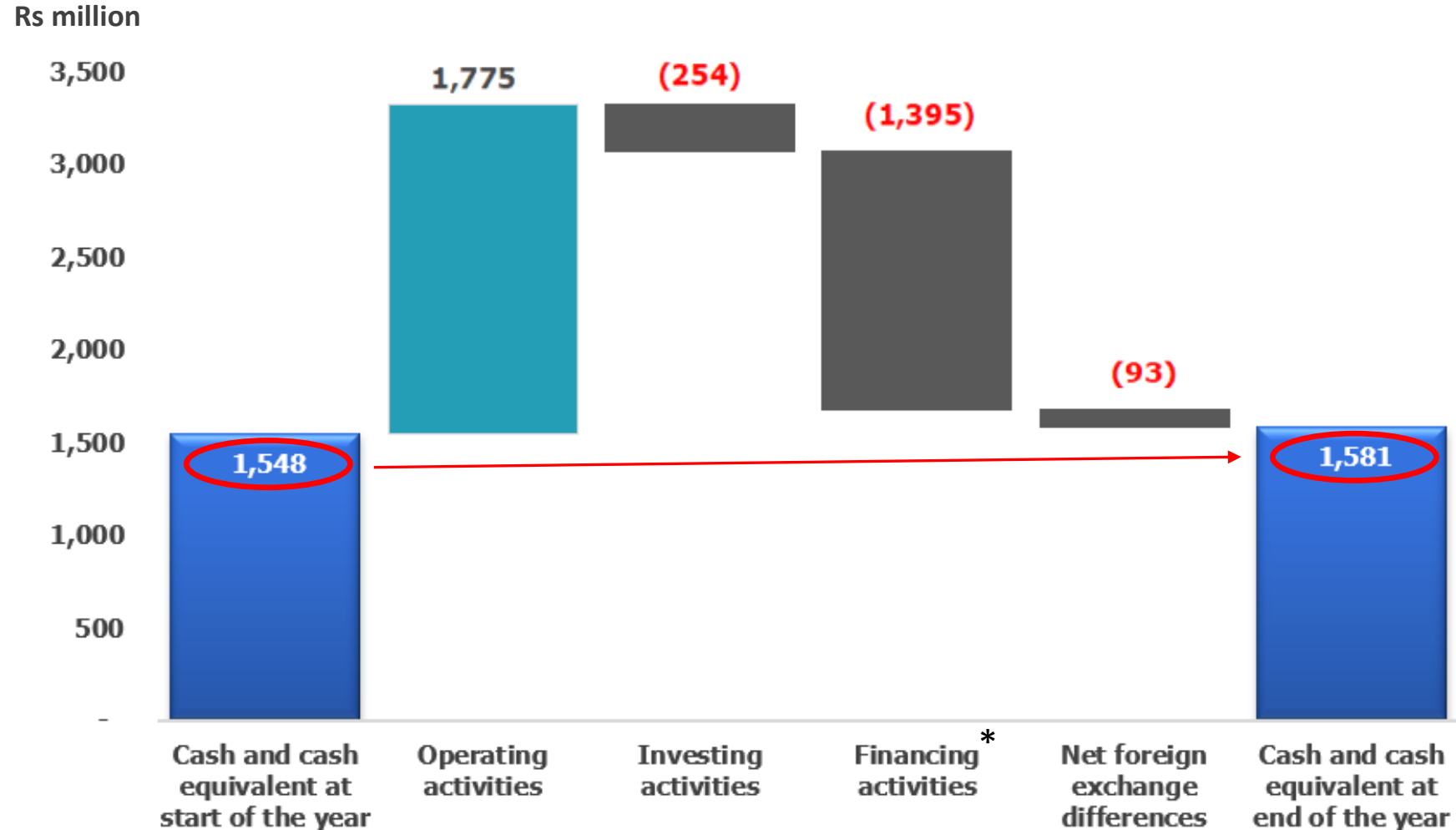
Gearing at 34.8% at 30 June 2022 (2021: 50.6%)



■ June 2021   ■ June 2022

## FY22 CASH FLOW HIGHLIGHTS

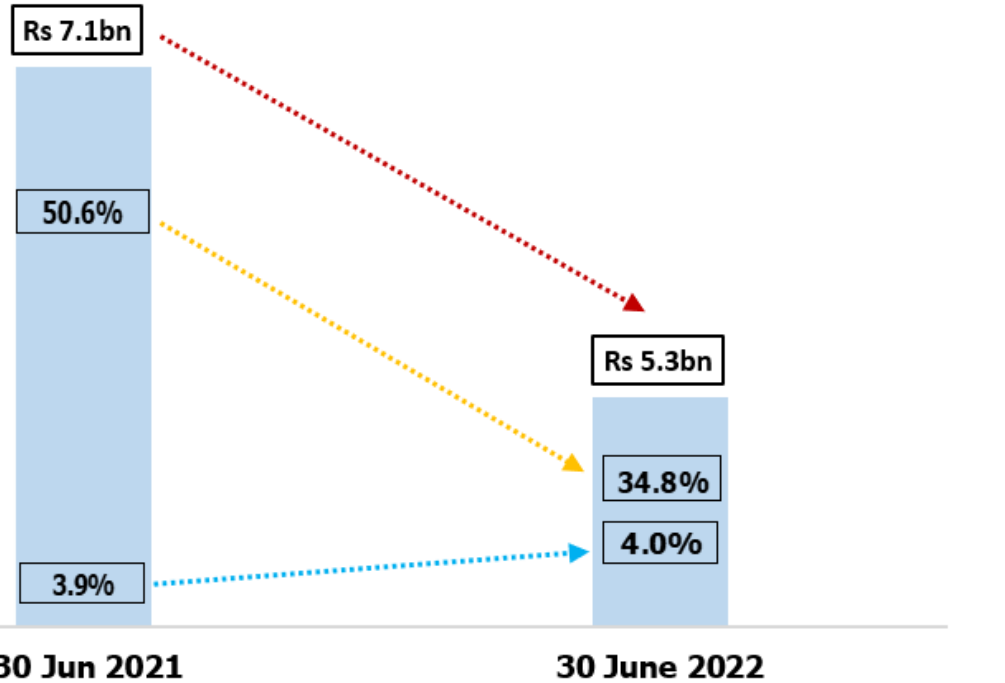
Cash and cash equivalent maintained at around Rs 1.6bn



\* Investing activities include net debt repayment of Rs 1.4bn for the year

# FY22 GROUP DEBT ANALYSIS

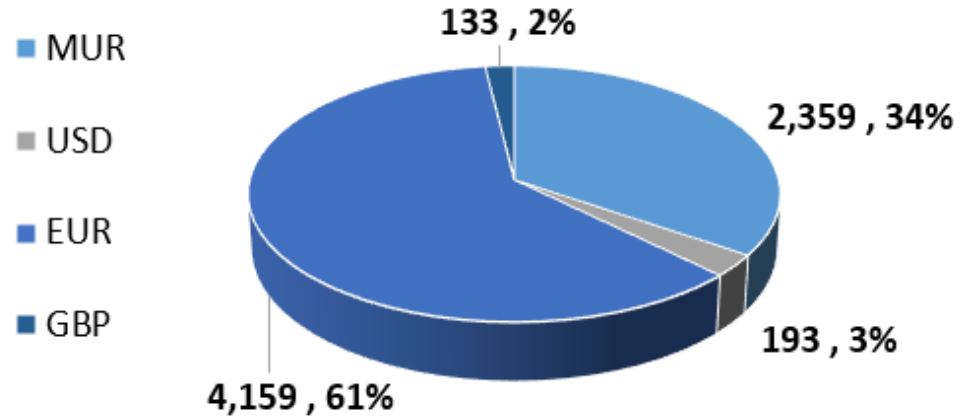
**Gearing decreased from 50.6% to 34.8%**



█ Average Interest Rate  
 Net Debt  
 Gearing excl. LB Fin. Lease

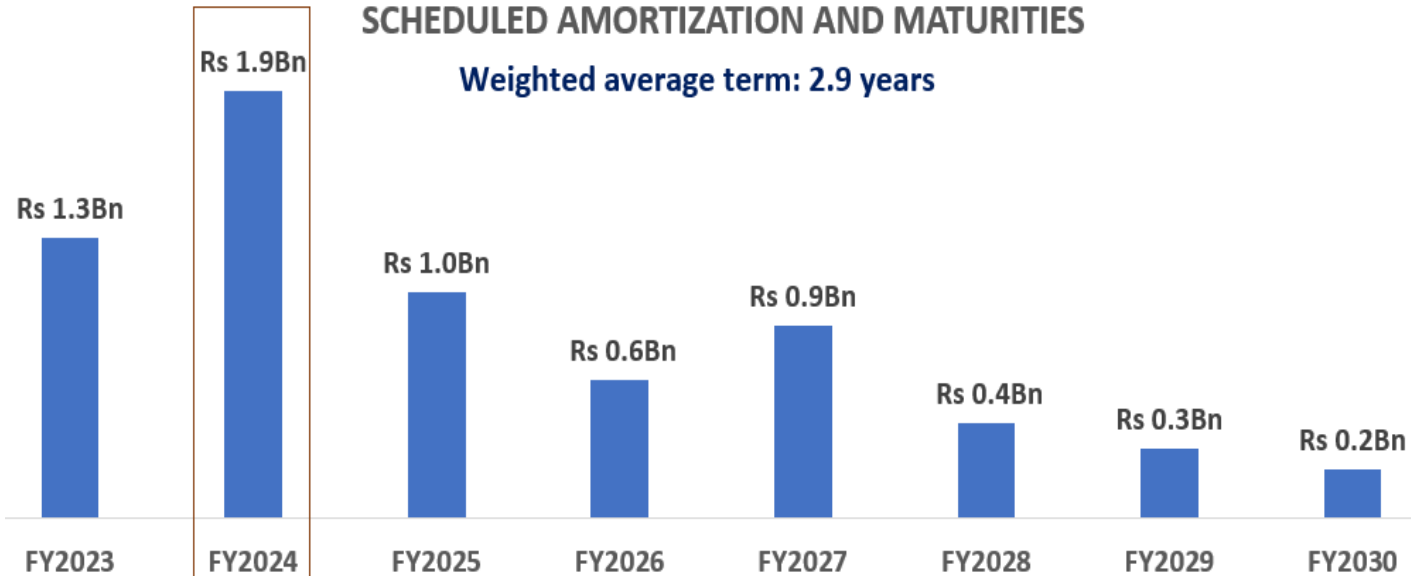
**MUR:EUR Debt portion at 34%:61%**

## CURRENCY PROFILE



## SCHEDULED AMORTIZATION AND MATURITIES

Weighted average term: 2.9 years







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**GOING FORWARD**



- Launch of our brand-led transformation project on 20 October 2022 (new Value, Purpose and Vision (VPV), new website, new customer experiences, employee training ...)
- **Sales & Marketing:**
  - + Low season optimisation / market diversification
  - + ADR Growth (optimised distribution mix)
  - + Sugar Beach positioning
- **Operational excellence:**
  - + Customer satisfaction
  - + New customer experiences/innovation /mobile app
  - + Long term efficiency gains
  - + Product enhancement: soft renovation of Long Beach
- **Human Resources :**
  - Main challenge: lack of skilled staff
  - + Employer brand attractiveness
  - + Enhanced employee journey
  - + Reviewed talent sourcing strategy (including foreign labour)
- Digital transformation
- Property development plan
- Sustainability and inclusiveness

## **Sustainability and Inclusiveness (SUN Roadmap)**

**“ A world we can all feel proud of”,**

**“Do Well and Do Good”**

**for “A World Where Kindness Shines”**

- Gender balance (pay parity, women friendly policies, gender equality)
- Sustainable guest experiences (coral farming)
- Utopia: carbon footprint (CIEL Group)
- Localism
- Position SUN as a leader in sustainability
- Zero single use plastic by June 2023





# OUR ACTIONS — For a World Where *Kindness Shines*



## SUSTAINABILITY AWARENESS

To empower our associate, guest and stakeholders on our **SUNCARE Programme**



## PRESERVING OUR BIODIVERSITY

To proactively and regularly develop responsible and inclusive experiences (nature trail, marine conservation centre, eco-kids club, green MICE offer, zero carbon water activities, etc.)



## ENERGY

To reduce our carbon emission and optimise our energy consumption



## WATER

Reach industry leading water efficiency level



## WASTE

Reduce waste to landfill by 50% by 2030



## RESPONSIBLE PROCUREMENT

To engage with our suppliers on environmental and social concern



## COMMUNITY

On-going support to Sun Children Cancer Trust & Support long-term community projects around each of our properties



## SUNCARE LABEL

We are committed to provide our guest with a safe environment that aligns with expert protocols for working to defeat COVID-19.

VISION

Kindness Shines

PURPOSE

Radiate the Magic of Mauritius

1.

Love

2.

Dreams

3.

Thoughtfulness



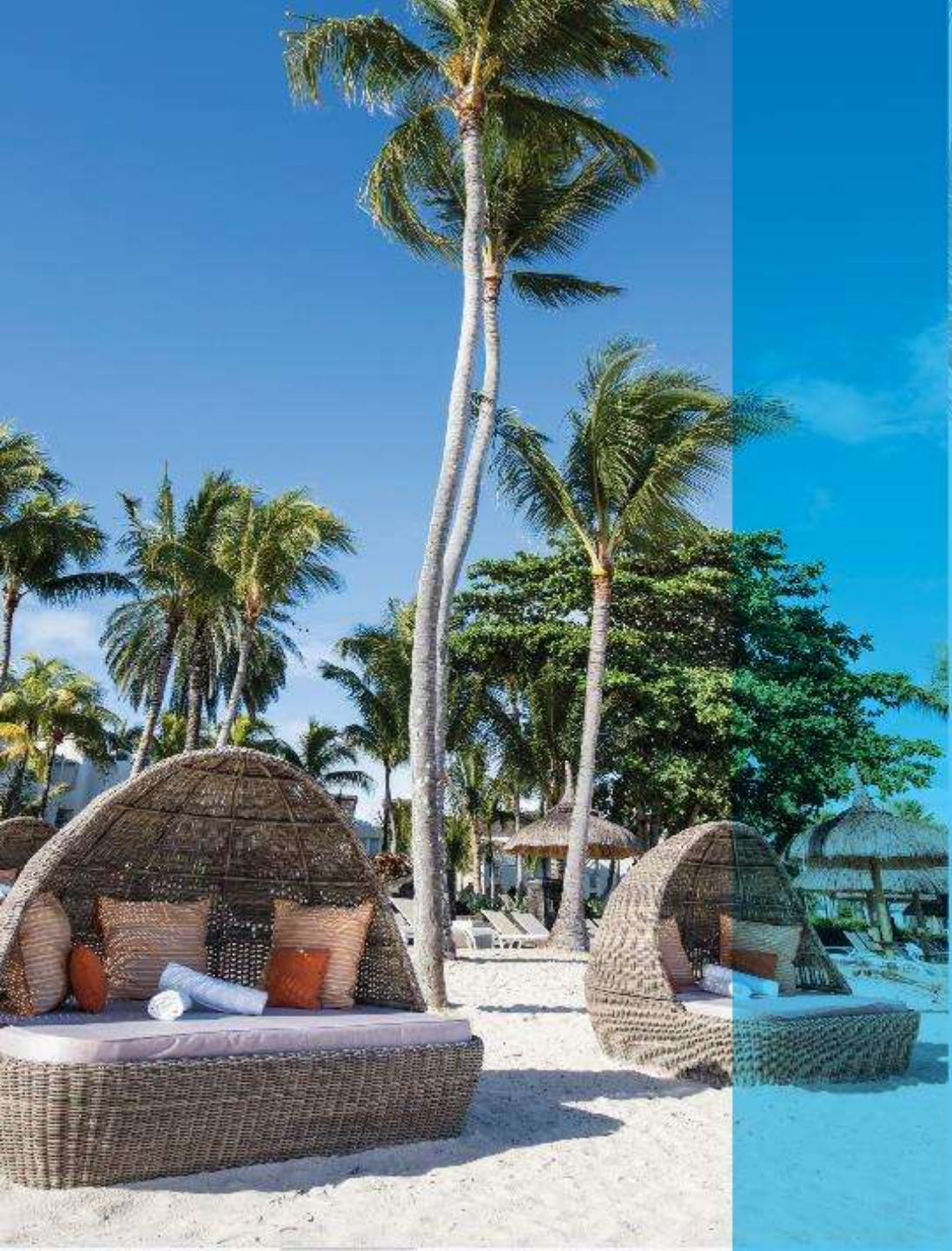


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# FUTURE OUTLOOK



- Q1 FY23 performance is much better than pre-COVID
- The forecast for the first semester of FY23 looks promising with the current business on the books, the booking pace and the increase in air capacity for the high season
- Notwithstanding any negative factors such as the high inflation which the Group is trying to mitigate, the Group should expect good results for the half year ending 31 December 2022



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# QUESTIONS & ANSWERS

Certain statements and information included in this presentation constitute "forward looking statements".

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Group to be materially different from any future results, performance, or achievements expressed or implied in such forward-looking statements.



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**THANK YOU**

A tropical beach scene with palm trees, umbrellas, and a mountain in the background, overlaid with a blue tint and the text 'THANK YOU'. The image shows a wide, sandy beach on the left, transitioning into clear, shallow water on the right. In the background, there are several palm trees and a prominent mountain peak. The entire scene is bathed in a monochromatic blue light. The text 'THANK YOU' is written in a bold, white, sans-serif font in the upper right quadrant, with a short white horizontal line above it.