



FINANCIAL YEAR 2023

# SUN LIMITED

## ANALYST MEETING

18 SEPTEMBER 2023

# AGENDA | 18 SEPTEMBER 2023

<b>Programme</b>	<b>Presenter</b>
<b>1. Welcoming of Participants</b>	
<b>2. CEO Review of FY23</b>	Francois Eynaud
<b>2.1 Industry Environment</b>	
<b>2.2 FY23 Key Achievements &amp; Awards</b>	
<b>3. FY23 Financial Highlights</b>	Tommy Wong
<b>4. Challenges &amp; Priorities</b>	Francois Eynaud
<b>5. Future Outlook</b>	Francois Eynaud
<b>6. Questions &amp; Answers</b>	



AGENDA  
ITEM 2.1

INDUSTRY  
ENVIRONMENT

*sunlife*

SUGAR  
BEACH  
MAURITIUS

LONG BEACH  
MAURITIUS

LA  
PIROGUE  
MAURITIUS

ambre  
MAURITIUS

Ile aux  
CERFS  
LEISURE ISLAND  
& GOLF CLUB

  
FOUR SEASONS  
RESORT  
MAURITIUS AT ANAHITA

  
SHANGRI-LA  
LE TOUËSSROK  
MAURITIUS

# Industry Environment

- Revenge travel becoming normal → strong demand for travel and Mauritius continues to be desirable
- Long lead-time bookings coming back (less uncertainties)
- Air service to Mauritius is at 85% recovery v/s pre-Covid – MK has 2 airplanes less
- China travel not opening fully in FY23
- Approx. 2,000 rooms closed for renovation between May to September 2023 across Mauritius
- MTPA Budget of Rs 500m insufficient but running a good campaign "feel our island energy" → strong push on India, Switzerland (MK flight restart from Geneva in October), Middle-East and Eastern Europe
- Low season → High occupancy
- **Trends:**  
Strong demand for all-inclusive, extended families' trips, adventure and sustainability
- Worldwide lack of staff in hotels /restaurants and TO/Travel Agency → automation/digitalisation / work from home
- Climate change / heat waves could change destinations choices
- 2023 tourist arrivals (Jan-Jul): 92% of 2019



# Industry Environment | Tourist Arrivals

Tourist Arrivals, January to August 2022 & 2023*				
Mauritius				
Selected markets	2022	2023	% CHG 2023 v/s 2022	% CHG 2023 v/s 2019
France	131,221	193,060	47.1%	3.5%
Reunion	32,277	88,419	173.9%	-3.0%
UK	83,621	88,287	5.6%	1.3%
Germany	54,252	68,546	26.3%	-10.8%
South Africa	56,903	61,922	8.8%	-14.0%
India	22,819	37,420	64.0%	-28.8%
Italy	11,836	18,561	56.8%	-22.9%
Switzerland	13,244	17,574	32.7%	-23.0%
Saudi Arabia	13,688	16,239	18.6%	-8.4%
Austria	8,973	11,762	31.1%	7.5%
Belgium	9,768	11,445	17.2%	14.0%
Australia	2,210	11,375	414.7%	1.1%
UAE	9,049	11,346	25.4%	4.7%
Czech Rep.	8,321	10,974	31.9%	8.2%
Russia	5,337	9,713	82.0%	38.8%
Poland	4,265	9,616	125.5%	36.4%
Spain	7,213	9,207	27.6%	6.5%
Netherlands	5,328	7,349	37.9%	-35.5%
Denmark	4,977	6,013	20.8%	20.0%
Sweden	2,861	5,493	92.0%	-33.8%
China	1,029	4,842	370.6%	-84.4%
Romania	3,719	4,558	22.6%	N/A
Slovakia	2,313	3,877	67.6%	N/A
Portugal	3,010	3,440	14.3%	N/A
Hungary	1,615	3,156	95.4%	12.5%
Norway	2,703	2,996	10.8%	N/A
Others	54,693	86,098	57.4%	-20.0%
<b>All markets</b>	<b>557,245</b>	<b>803,288</b>	<b>44.2%</b>	<b>-8.0%</b>

# INDUSTRY ENVIRONMENT | 2022/23

## Recovery Percentages

	Air seats			Tourist arrivals			Tourist nights			Tourism earnings, Rs Mn			Room occupancy rate - AHRIM survey		
	FY 22/23	2019	%	FY 22/23	2019	%	FY 22/23	2019	%	FY 22/23	2019	%	FY 22/23	2019	%
July	160,280	202,858	79.0	94,084	115,448	81.5	959,972	1,365,811	70.3	5,128	4,937	103.9	66%	69%	95.7
August	159,488	197,482	80.8	86,605	107,275	80.7	1,235,265	1,365,811	90.4	5,892	4,753	124.0	72%	74%	97.3
September	141,925	179,814	78.9	81,087	100,837	80.4	909,441	1,108,441	82.0	5,315	4,362	121.8	73%	76%	96.1
October	181,364	206,538	87.8	117,323	129,018	90.9	1,102,675	1,172,012	94.1	6,676	5,434	122.9	80%	76%	105.3
November	193,227	204,955	94.3	106,905	128,730	83.0	1,164,058	1,254,028	92.8	7,834	5,964	131.4	83%	82%	101.2
December	212,501	224,954	94.5	134,730	152,098	88.6	1,271,764	1,293,993	98.3	8,728	6,605	132.1	80%	78%	102.6
January	209,386	247,881	84.5	107,684	122,273	88.1	1,556,545	1,688,416	92.2	8,441	6,178	136.6	76%	74%	102.7
February	151,920	191,860	79.2	91,850	115,613	79.4	1,086,958	1,138,567	95.5	6,452	5,140	125.5	74%	77%	96.1
March	186,967	214,836	87.0	105,663	114,419	92.3	1,264,000	1,290,876	97.9	7,388	5,200	142.1	75%	72%	104.2
April	185,793	182,026	102.1	109,031	108,565	100.4	1,213,288	1,104,716	109.8	6,632	5,450	121.7	80%	72%	111.1
May	186,318	175,213	106.3	100,030	96,814	103.3	1,110,811	994,978	111.6	6,900	4,915	140.4	76%	67%	113.4
June	164,878	168,870	97.6	82,208	92,398	89.0	858,387	928,336	92.5	5,888	4,169	141.2	66%	65%	101.5
<b>Total</b>	<b>2,134,047</b>	<b>2,397,287</b>	<b>89.0</b>	<b>1,217,200</b>	<b>1,383,488</b>	<b>88.0</b>	<b>13,733,164</b>	<b>14,705,985</b>	<b>93.4</b>	<b>81,274</b>	<b>63,107</b>	<b>128.8</b>	<b>75%</b>	<b>73%</b>	<b>102.7</b>

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SUGAR BEACH  
MAURITIUS

LONG BEACH  
MAURITIUS

LA PIROGUE  
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ITEM 2.2

FY23 KEY  
ACHIEVEMENTS

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# FY23 Key Achievements

- **Excellent financial performance:**

- Turnover increase by 31% v/s pre-Covid
- Occupancy: Group 74% v/s 72% in 2018/19  
Sunlife 79% v/s 74.9%
- ADR: Group +42% v/s 2018/19  
Sunlife+38%
- High inflation in costs have been successfully mitigated
- EBITDA Rs 2.4bn (+71% v/s pre-Covid)
- Record PAT Rs 1.5bn
- Debt restructuring plan (next 5 year) finalised
- Long Beach and Ambre profitable

- **Successful Sunlife branding launch:**

- Huge visibility on the markets
- 25 new #ComeAlive Collection Guest Experiences had big impact with our partners
- Enhanced Sunlife image: dynamism and creative energy
- 1st December party at Sugar Beach → “message très fort de renouveau”
- Enterprise Culture oriented further towards people and emotion
- Sunlife more attractive for our team members and for new talents



# FY23 Key Achievements

- Ile Aux Cerfs Master Plan finalised
- Lack of skilled staff reasonably mitigated → remains a top priority
- Strengthened management team
- **Sustainability:**
  - Single use plastic eliminated
  - Long Beach desalination plant ordered
  - Izzy the Bee mascot
  - Integrated ESG system
  - Good progress on gender equity and diversity
  - La Pirogue Best Sustainability National Awards
- **Digitalisation:**
  - Move to Opera Cloud
  - Mobile App
  - TNG Go for waiter (app)
  - Eat App for restaurant booking
  - TNG Golf for Tee-Off booking

# FY23 Key Achievements

Life in  
yellow

- **Product enhancements:**
  - Renovation of Kids Club
  - Renovation & extension of Buddha Bar
  - Manor House rooms → family rooms
  - Long Beach Tides Beach Restaurant and rooms renovation
  - Ambre rooms renovation
  - Rebranding of Sun Style Boutique into “Life in Yellow”
- **Sales & Marketing**
  - Excellent occupation and ADR performance
  - New Website
  - Successful repositioning of Sugar Beach
  - Market share increase v/s pre-Covid 5% → 7%

# FY23 Key Achievements






## ■ Human Resources

- Talent access and acquisition
- Talent Development & Recognition/ Retention
- Diversity, Equity & Inclusion
- Other Projects



# FY23 Sunlife Awards

## Sugar Beach

-  2023 KAYAK Travel Awards
-  EarthCheck Silver Certified 2023
-  Tripadvisor Travelers Choice Award 2023
-  World Luxury Hotel Awards 2022- Luxury Beach Hotel
-  World Travel Awards 2022 - Mauritius Leading Beach Resort

## Long Beach

-  2023 KAYAK Travel Awards
-  EarthCheck Silver Certified 2023
-  Tripadvisor Travelers Choice Award 2023
-  World Luxury Hotel Awards 2022 - Luxury Family Hotel
-  World Luxury Hotel Awards 2021 for Cinq Mondes Spa - “Best Luxury Hotel Spa in Mauritius”
-  World Luxury Hotel Awards 2021 for ‘Hasu’ Restaurant- “Best Japanese Cuisine in Mauritius.”
-  Tripadvisor Travelers Choice Award 2022



## La Pirogue

-  Environmental Awards 2023 : Best Sustainable Hotel in Mauritius
-  Sustainable Tourism Mauritius Awards 2023: Best Sustainable Hotel (Gold)
-  TUI Global Hotel Awards 2023
-  EarthCheck Silver Certified 2023
-  Tripadvisor Travelers Choice Award 2023
-  British Airways Holidays Customer Excellence Award for 2022
-  World Luxury Hotel Awards 2022 - Luxury Honeymoon Hotel

## Ambre

-  2023 KAYAK Travel Awards

## Ile aux Cerfs Golf Club

-  Golfers’ Choice Award 2023 Outstanding Leading Golf Course
-  Luxury Lifestyle Awards 2022 - Best Luxury Golf Club in Mauritius
-  Golfers’ Choice Awards 2022 - best golf course in Mauritius



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ITEM 3

FY23 FINANCIAL  
HIGHLIGHTS

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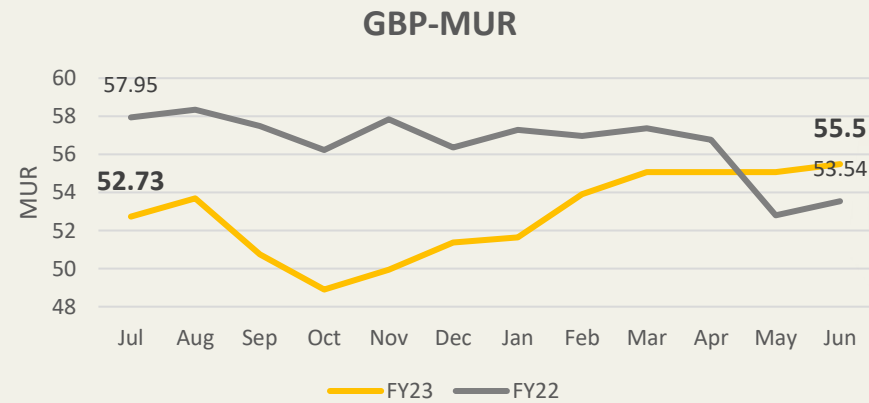
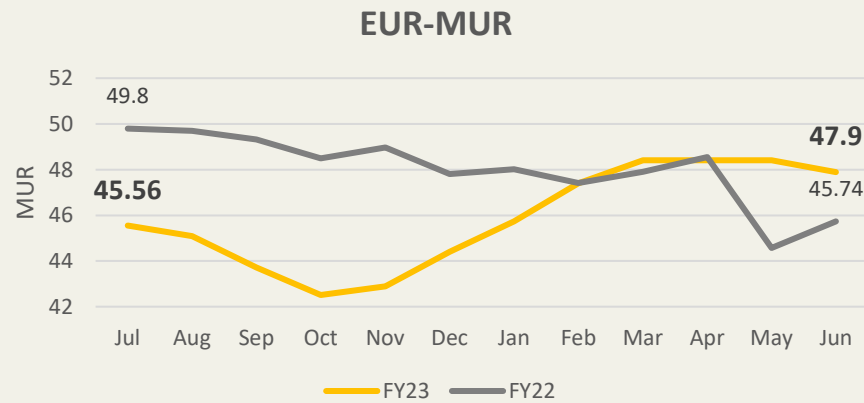
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# FY23 Financial Highlights

- Improvement in ADR despite unfavourable movement in the FX iro EUR and GBP in comparison to previous financial year:



- Inflation vs FY22 experienced in Food (+13.4%), Beverage (+7.9%), Transport (+8.0%), Utilities - Diesel (+27.2%) and electricity (+17.1%)
- Gearing ratio down to **22.7%** (FY22: 34.8%) with borrowings reduced by Rs 1.8bn
- Cash balance still kept healthy at Rs 1.8bn at 30 June 2023
- Dividend paid in September 2023 of **Rs 348m**
- Revaluation of Freehold Land and Buildings resulted in a gain of **Rs 970m**



# FY23 Financial Highlights

Excellent performance achieved in FY23

YEAR ENDED 30 JUNE 2023 (AUDITED)

REVENUE	EBITDA <i>before exceptional items</i>	PAT <i>from continuing operations</i>
<b>Rs 8,133m</b>	<b>Rs 2,448m</b>	<b>Rs 1,519m</b>
↑ Rs 2,967m vs LY*	↑ Rs 1,236m vs LY*	↑ Rs 1,319m vs LY*
↑ Rs 1,917m vs FY19	↑ Rs 993m vs FY19	↑ Rs 1,347m vs FY19

	FY23	FY22	FY19
Occupancy	<b>74.0%</b>	48.1%	72.4%
ADR (Rs)	<b>13,359</b>	11,933	9,386
TRevPAR (Rs)	<b>15,206</b>	8,971	11,134

LY\*: operations were closed in the first quarter of FY22

# FY23 Financial Ratios

## Improvement in financial ratios

Financial Ratios	2023	2019	Var
Earnings per share from continuing operations	<b>8.42</b>	0.99	750.1% ↑
Net worth per ordinary share ("NWS")	<b>62.19</b>	43.78	42.1% ↑
EBITDA* margin before exceptional item	<b>30.10%</b>	23.40%	28.6% ↑
Operating profit margin	<b>23.73%</b>	10.63%	123.3% ↑
Return on capital employed ("ROCE")	<b>12.62%</b>	10.96%	15.1% ↑
Return on investment	<b>10.53%</b>	7.11%	48.2% ↑
Net debt to EBITDA*	<b>1.41</b>	5.66	75.1% ↑
Gearing ratio excluding finance leases	<b>22.66%</b>	48.10%	52.9% ↑
Total liabilities to total equity	<b>82.85%</b>	142.05%	41.7% ↑
Interest cover	<b>11.17</b>	1.44	676.0% ↑
Current ratio	<b>0.78</b>	0.57	37.6% ↑

### Definitions:

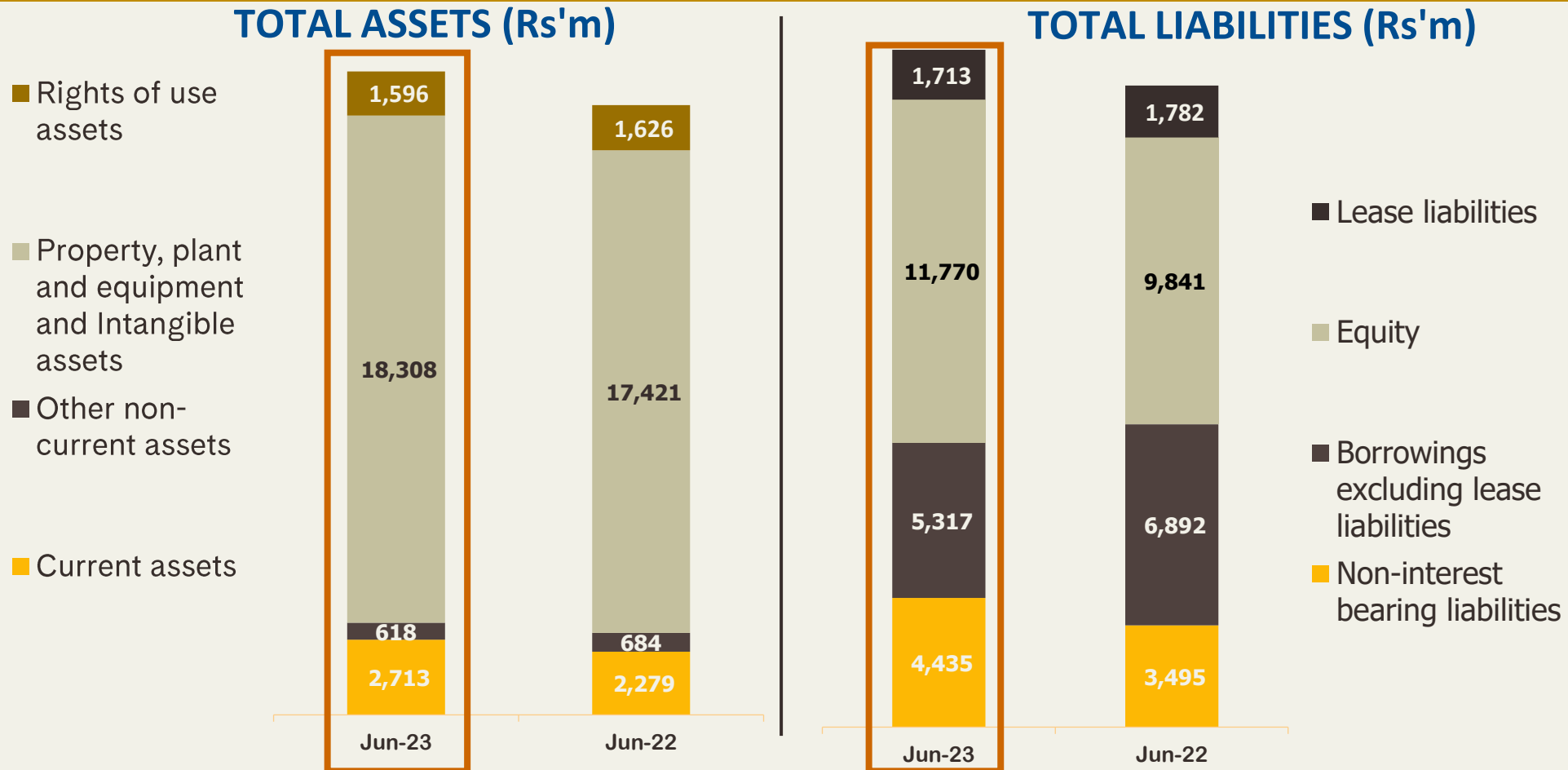
Return on Capital Employed  
= EBIT / (Equity + Net debt)  
Return on Investment =  
EBITDA\* / Total Assets less  
Interco balances receivable

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

➤ Market price is trading at around 38% below NWS\*

# Balance Sheet Highlights at 30 June 2023

Gearing at 22.7% at 30 June 2023 (2022: 34.8%)

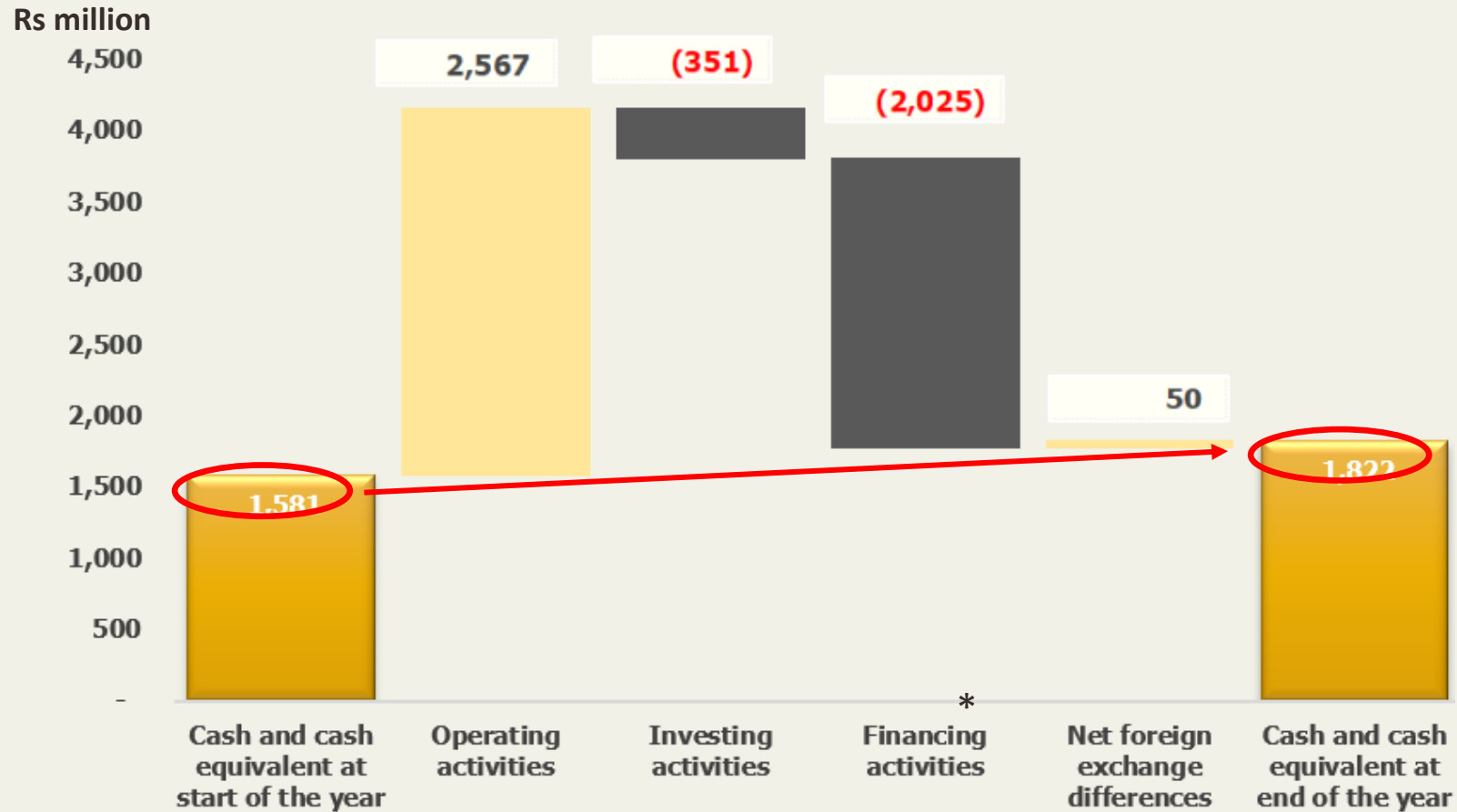


- Revaluation gains on freehold land and buildings of **Rs 0.97 bn** accounted for the year ended 30 June 2023.
- Reduction of net debt to **Rs 3.4bn** mainly from loans/bond repayment of **Rs 2.7 bn** and increase in cash of **Rs 0.24 bn**, offset by new Euro loans of **Rs 0.92 bn** and FX exchange revaluation of **Rs 0.22 bn** (OCI portion: Rs 0.19 bn)
- Movement in equity includes dividend proposed of **Rs 0.35 bn**



# FY23 Cash flow statements

Cash and cash equivalent at Rs 1.8bn at 30 June 2023



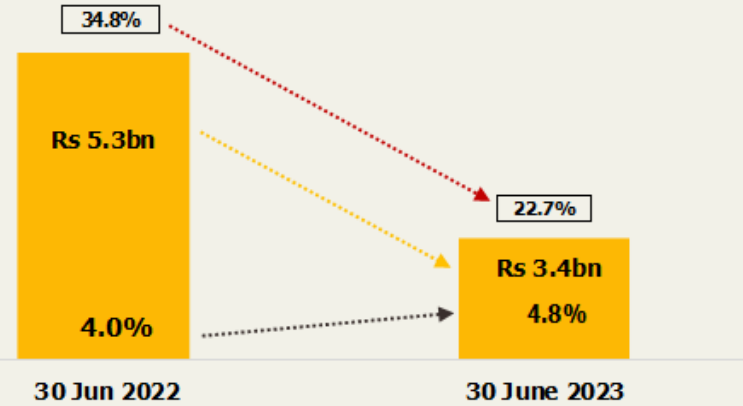
\* Financing activities include net debt repayment of Rs 1.8bn for the year

# FY23 Group Debt Analysis

## ➤ Financing

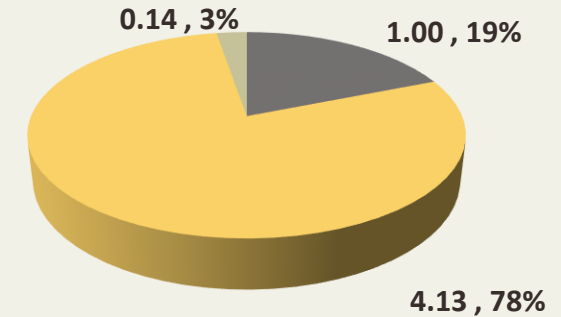
- ✓ Successfully early repaid in full the high interest-bearing debts (Sun Limited: SBM EUR and MUR loans) in March and May 2023 respectively and refinance with lower interest-bearing debts
- ✓ **Successfully repaid our bonds ahead of repayment date** - City and Beach – EUR denominated Bonds - in October 2022 for EUR 7m instead of January 2023 and SUN Limited - MUR denominated Bonds – in May 2023 - for MUR 1 bn instead of November 2023.
- ✓ Increase in EUR bearing debt at lower interest rate
- ✓ Renegotiate and fix interest rate on existing variable bearing debt
- ✓ Rescheduling some debts to match with the updated 5 Year plan strategy

Gearing decreased from 34.8% to 22.7%



MUR:EUR Debt portion at 19%:78%

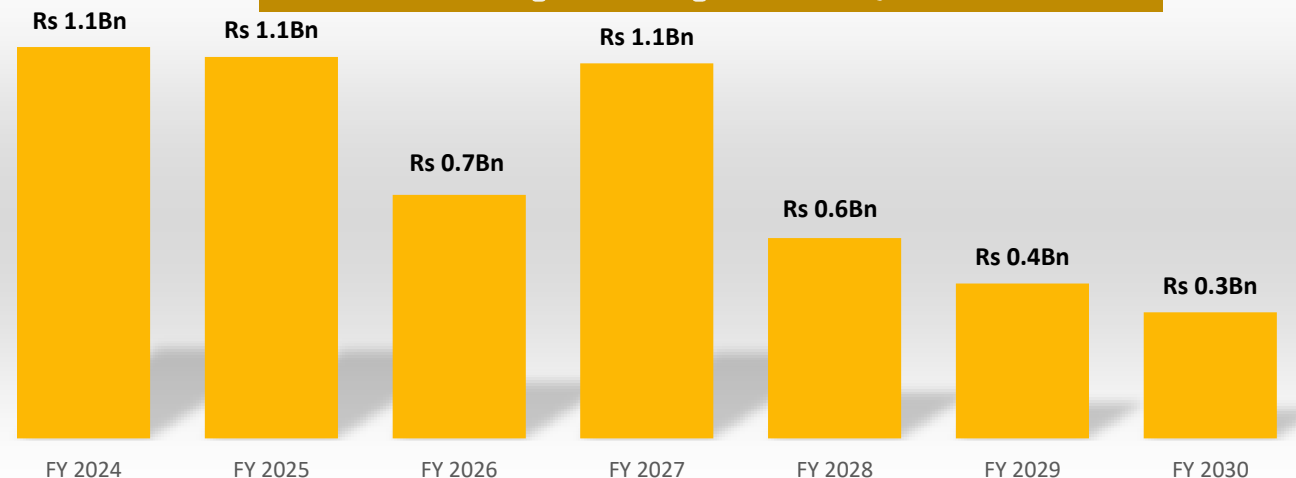
## CURRENCY PROFILE



Legend: Average Interest Rate (black line), Net Debt (yellow bar), Gearing excl. Fin. Lease (white box), MUR (dark grey), EUR (yellow), GBP (light green)

## SCHEDULED AMORTISATION AND MATURITIES

Weighted average term: 3.29 years





AGENDA  
ITEM 4

CHALLENGES &  
PRIORITIES

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# Going Forward | Challenges and Priorities

- Deliver on our **promises**:
  - “A world where kindness shines”
  - Innovation in guest experiences
  - Coherent hotel concepts
- Live our **Values** → A human culture with emotions and ethics
- Enhanced **customer satisfaction** (service culture / guest experiences / innovation process)
- Roll out our **Employee Value Proposition Programme**
  - Beefed-up training
  - Enhanced employee experience
  - Retention and attractiveness (*Sunlife* Employee Brand)
  - Progress on our Gender Equity Journey
- Adjusted strategy to address the lack skilled staff
- Implement the **IAC Regeneration Master Plan**

# Going Forward | Challenges and Priorities

## ▪ Product enhancement

- Finish rooms soft renovation at Long Beach and Ambre
- Plan successful Shangri-La and Four Seasons renovations
- Sunlife's own 'Wellness Concept' by July 2024

## ▪ Property

- Reach breakeven sales of La Pirogue Residences and launch construction
- Launch of SSRL Belle Mare next to Long Beach (52 units)
- Launch of Shangri-La Le Touessrok Branded Villas + Eco-Lodge Ilot Bourgault

## ▪ Sales & Marketing

- Continue ADR growth through more direct business and revenue management
- Market diversification

## ▪ Financials

- Growth of extra revenue
- Decrease our debt while ensuring sustainable dividends, bonuses and renovations of our hotels during next 5 years.
- Optimise Long Beach, Ambre and IAC performance

# Going Forward | Challenges and Priorities

- **Sustainability:** “*For a world where kindness shines*”
  - Implement the integrated ESG System at Sunlife
  - Progress on our road map: energy consumption, water issues (desalination), reduced waste, sustainable guest experiences (obtain Coral Farming permits)
- **Digitalisation:**
  - Stabilise mobile application and achieve desired KPI + Digital Concierge
  - Increase online check-in
  - Enhances productivity and guest experiences

# Human Resources FY24| Main Focus

- A. Talent Experience/ Employer Brand – 6 projects identified**
- B. Service Culture**
- C. Digitalisation**
- D. Other Projects**





AGENDA  
ITEM 5

FUTURE OUTLOOK

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# Group FY24 | Forecast HY1 FY24

- The results for the first quarter of FY24 are better than the same period last year.
- Forward bookings for the second quarter are very encouraging with the forthcoming tourist arrivals and air seat capacity progressively recovering to pre-Covid levels



# AGENDA ITEM 6

## QUESTIONS & ANSWERS

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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.

Thank You !