



sunshine

3QFY24 Earnings Webinar

Sunshine Holdings PLC

14 February 2024

Housekeeping Announcements

- The webinar will be recorded and later uploaded to our IR website for future reference
- All participants will be muted during the presentation.
- Participants can unmute themselves to ask questions in the Q&A session
- Participants can raise their questions via the chat box

Corporate Announcements

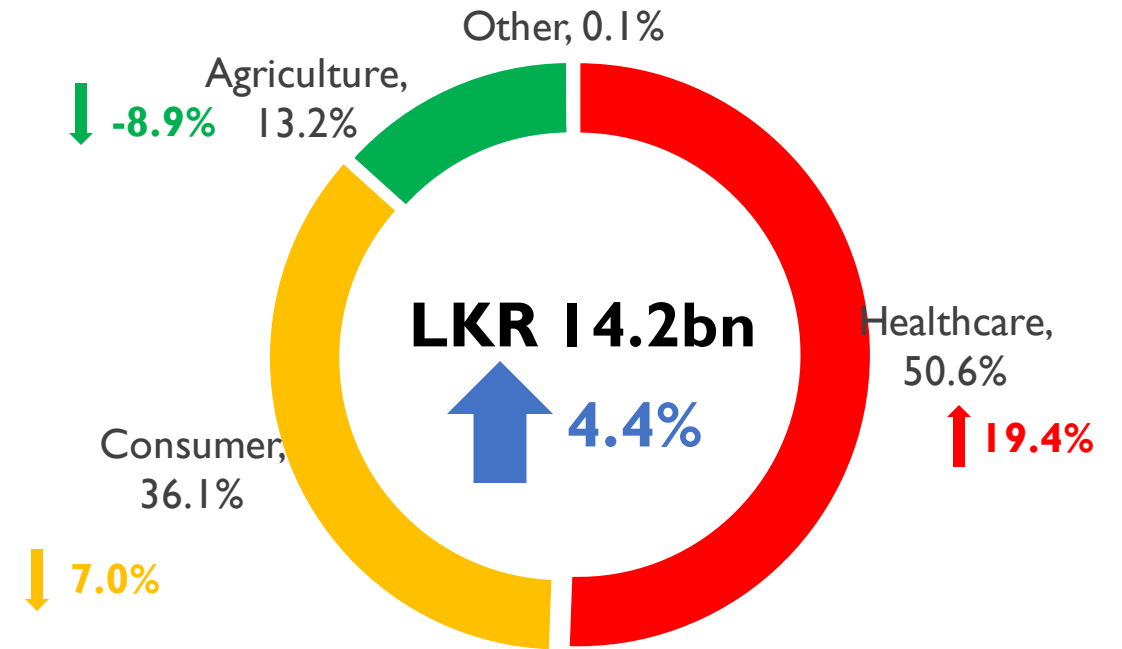
- 15th November - Ms. Aruni Goonetilleke was appointed as an Independent Non-Executive Director of the Company.
- 18th January - A capital infusion of LKR 500 million has been provided to Sunshine Tea Pvt Ltd.
- 18th January - Mr. Aruna Deepthikumara was appointed as an Executive Director of the Company.
- 26th January - Mr. Shyam Govind Sathasivam was appointed as the Group Chief Executive Officer of the Company and its subsidiaries.
- 26th January - Mr. Vish Govindasamy was appointed as the Deputy Chairman of the Company.

Group Performance

Group at a Glance – 3QFY24

- **LKR 14.2bn** Revenue
- **LKR 2.6bn** EBIT +72.2% YoY
- **LKR 1.8bn** PAT +188.5% YoY
- Leverage at **29.5%** (FY23: 27.1%)

Revenue Composition - 3QFY24



Group – Performance Highlights



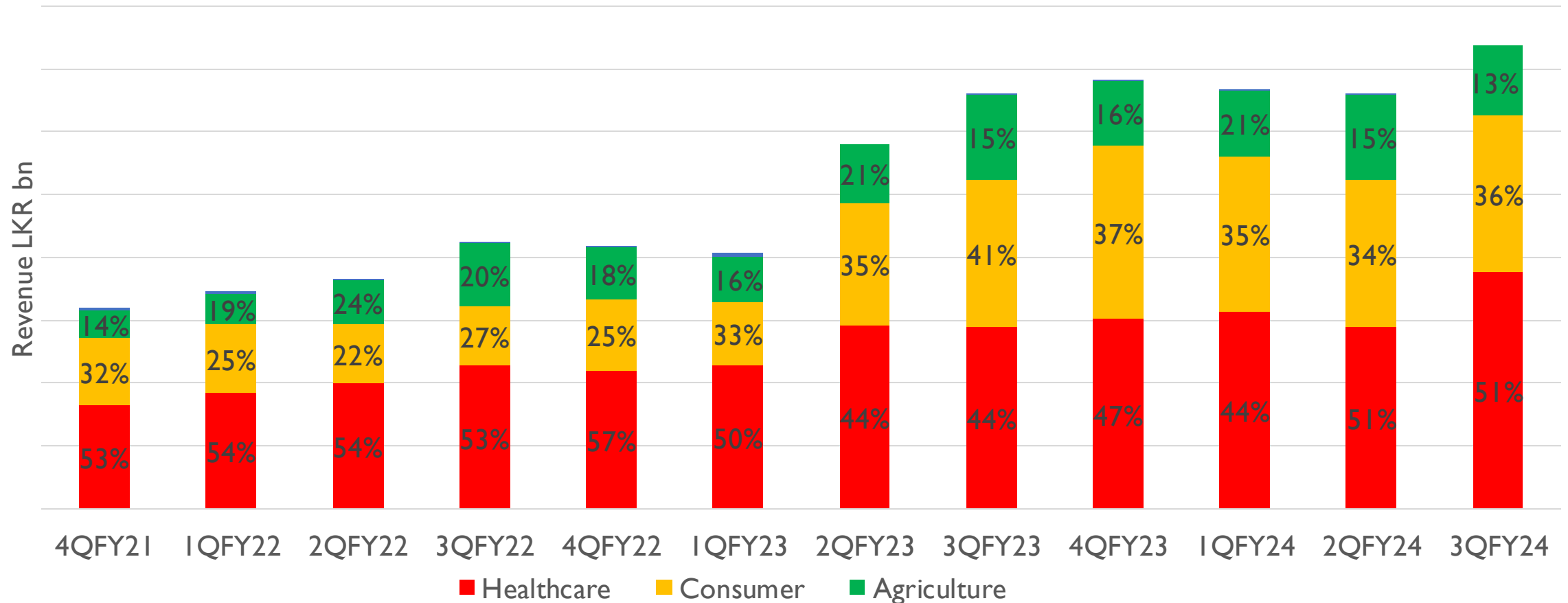
(LKR millions)

LKR m	3QFY24	3QFY23	Growth (YoY) %	2QFY24	Growth (QoQ) %
Revenue	14,229	13,633	4.4%	14,787	-3.8%
EBIT	2,568	1,491	72.2%	2,811	-8.6%
<i>EBIT margin</i>	<i>18.0%</i>	<i>10.9%</i>		<i>19.0%</i>	
PAT	1,812	628	188.5%	2,209	-18.0%
<i>PAT margin</i>	<i>12.7%</i>	<i>4.6%</i>		<i>14.9%</i>	
PATMI	1,400	272	414.7%	1,648	-15.0%
EPS (LKR)	2.85	0.55	417.4%	3.35	-15.1%

- EBIT margins improved by 711bps in 3QFY24, mainly driven by the combined favorable performance of the pharma manufacturing and the consumer brands business.
- 62.1% YoY reduction in finance costs resulted from lower interest rates.
[Net Finance cost: 3QFY24 LKR 122m cf. LKR 388m in 3QFY23]

Historical Trend – Revenue QoQ

Revenue Composition

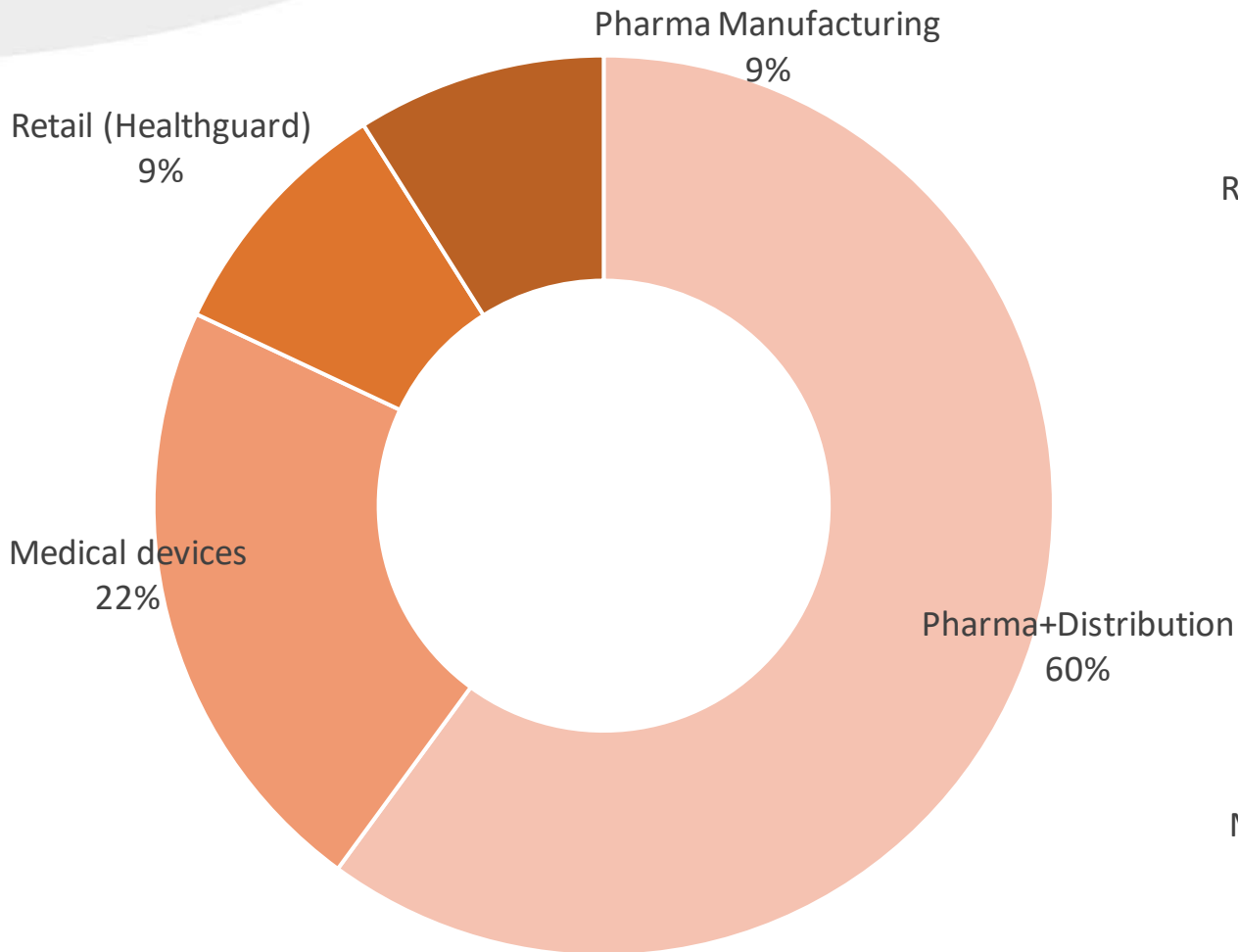


Healthcare

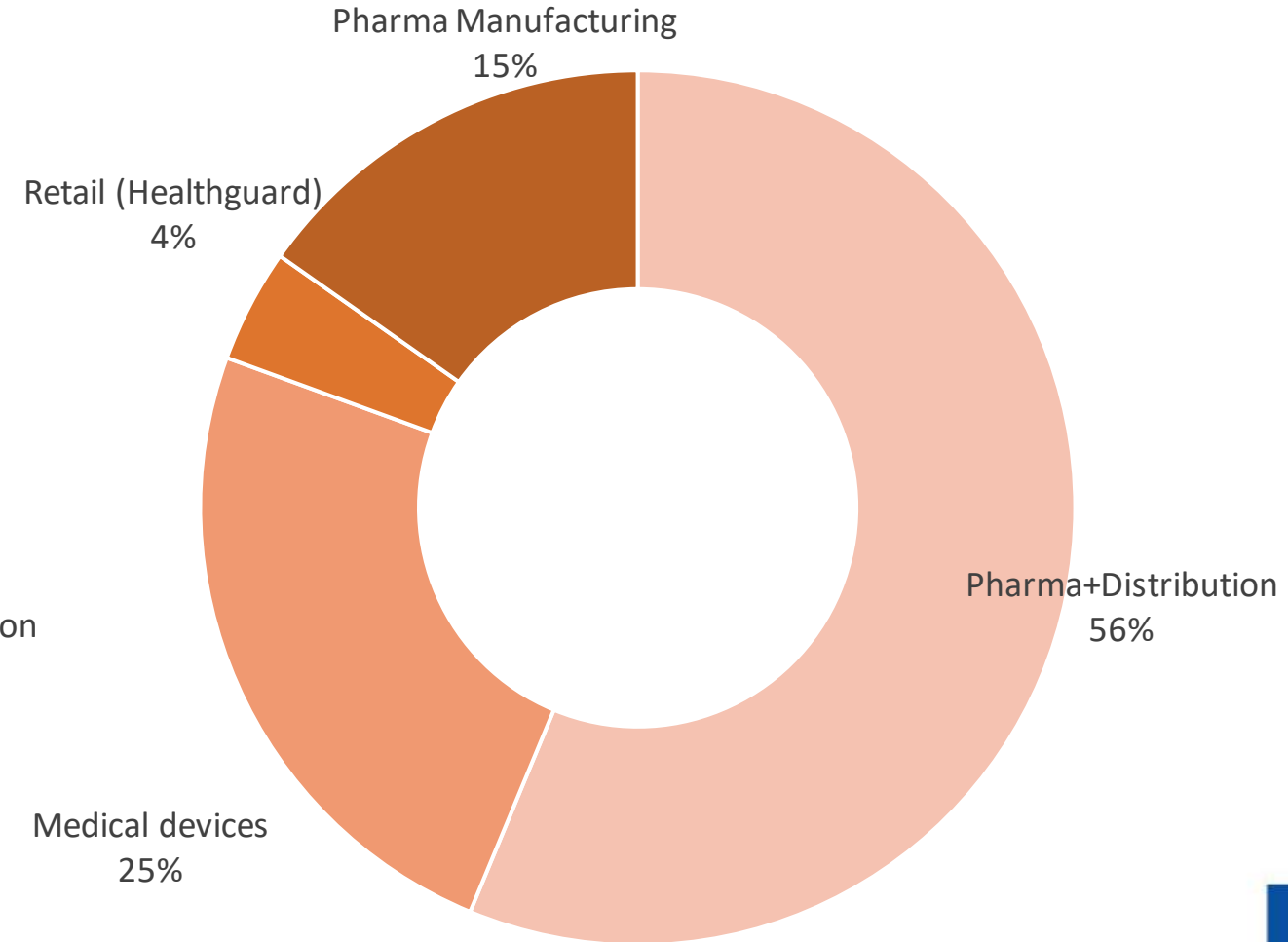
Healthcare Sector



Revenue Split [3QFY24]



Total Asset Split [3QFY24]



Healthcare – Performance Highlights

(LKR millions)

LKR m	3QFY24	3QFY23	Growth (YoY) %	2QFY24	Growth (QoQ) %
Revenue	7,197	6,029	19.4%	7,526	-4.4%
EBIT	1,305	584	123.5%	1,162	12.3%
<i>EBIT margin</i>	<i>18.1%</i>	<i>9.7%</i>		<i>15.4%</i>	
PAT	835	55	1418.2%	852	-2.0%
<i>PAT margin</i>	<i>11.6%</i>	<i>0.9%</i>		<i>11.3%</i>	

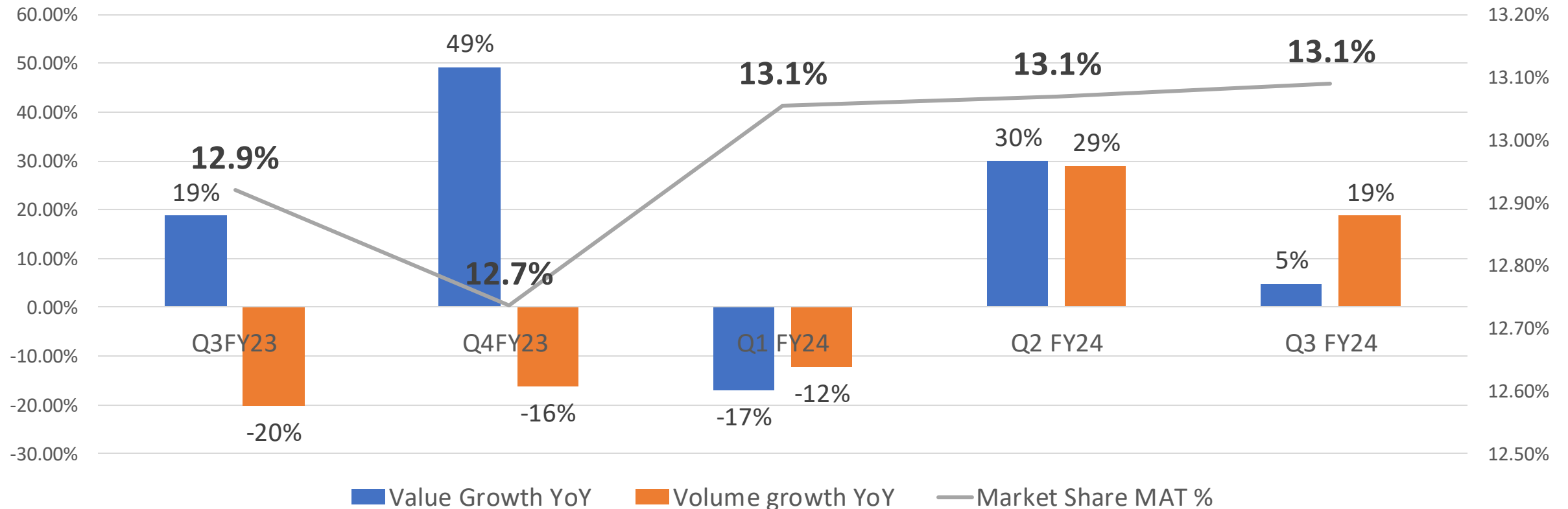
- In 3QFY24, the EBIT margin improved by 845bps, driven by increased revenue from SMD and manufacturing businesses.
- Revenue for SMD also included a local tender for 3Q
- HG Retail's revenue rose by 25.1% YoY in 3QFY24, with improved bill count and availability.

Sunshine Pharmaceuticals



During 3QFY24,

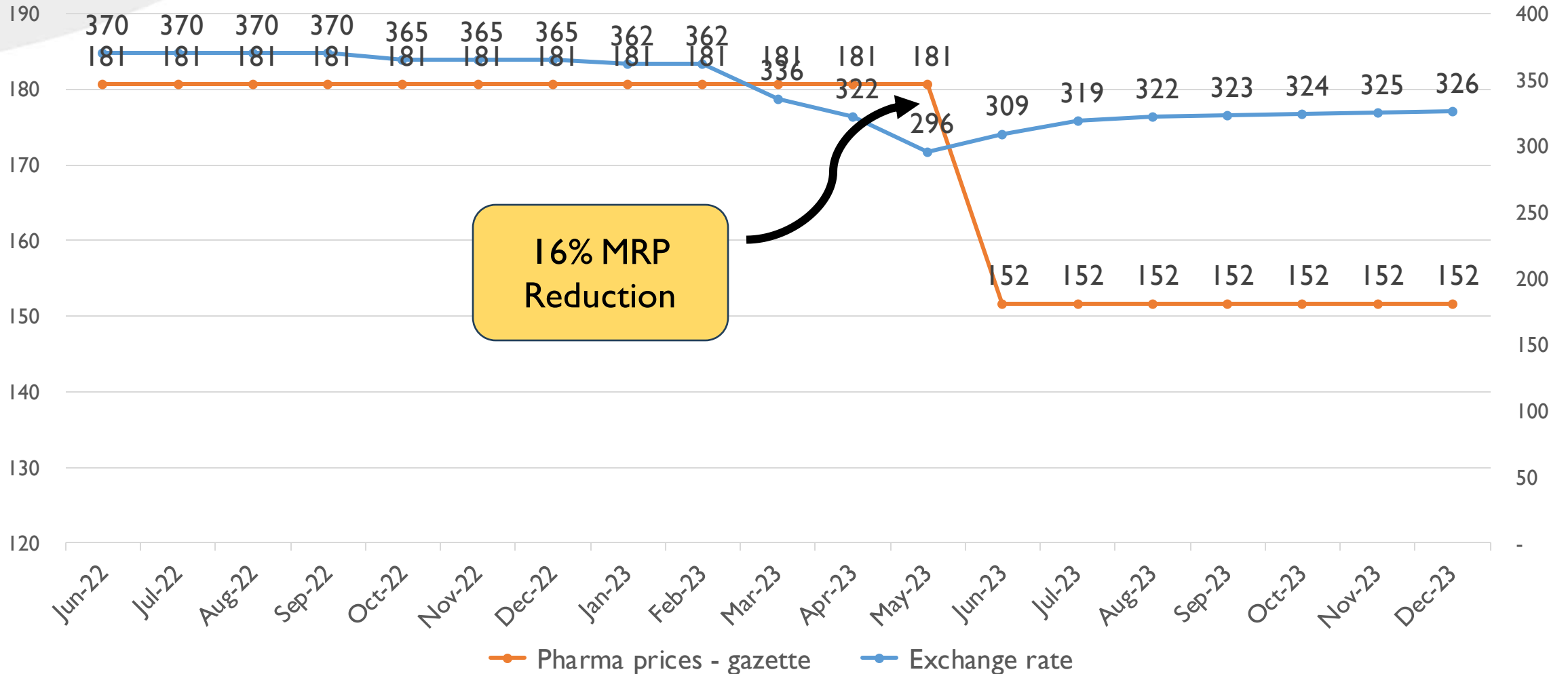
- Market growth at 22.2% YoY
- Sunshine recorded growth of 20.2%



Pharmaceuticals – Price Increase Index



Dec 2021 considered as the base (i.e., 100)

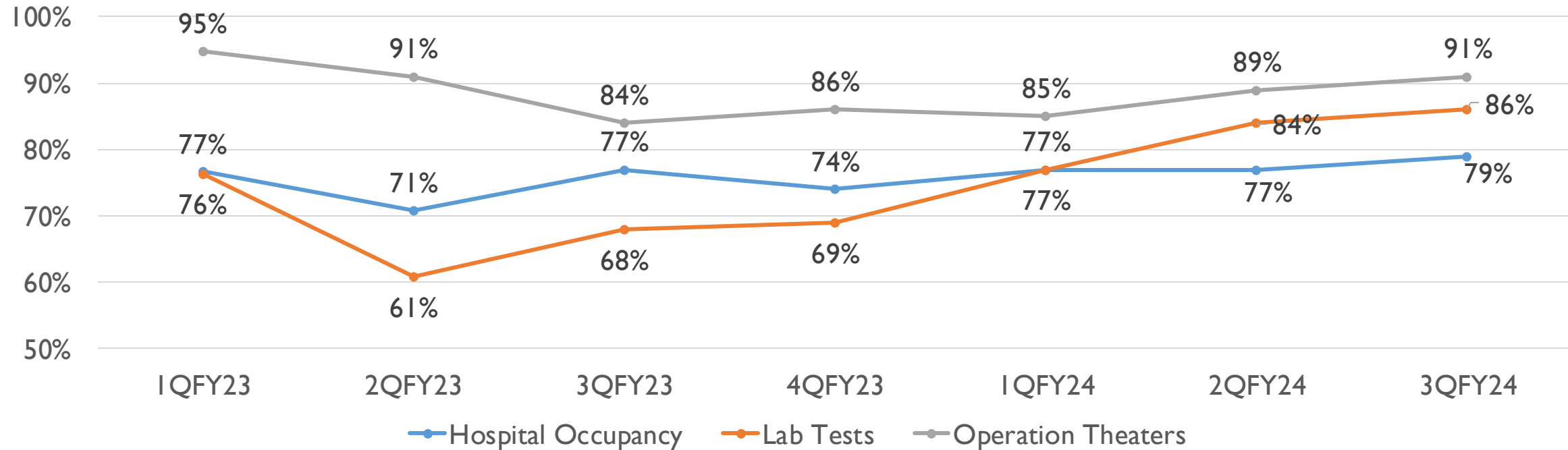


Sunshine Medical Devices



- 3QFY24 witnessed a 23.5% YoY revenue growth.

Market Dynamics



Lina - Pharma Manufacturing

Lina
Manufacturing

- During the 3QFY24, the revenue grew 1.5x reaching LKR 768m.
- Improved capacity utilization in the MDI and capsule line



Healthguard Pharmacy - Retail

Retail Segment Performance

- Strong BC growth driven by promotions and improved availability
- 3QFY24 Revenue grew by 25.0% YoY
- Wellness Product purchases has helped improve the GP margin



KPI (YoY)	FY23				FY24		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Same store sales (SSS) growth	0.6%	-13.4%	12.9%	-1.9%	12.1%	24.1%	17.2%
Bill count growth (SS)	-14.7%	-26.1%	-14.9%	-21.6%	7.9%	20.5%	13.6%
Average Basket Value growth (SS)	18.0%	17.2%	32.7%	25.1%	3.9%	3.7%	2.4%
Availability (Top 1,750 SKUs)	81%	77%	84%	85%	83%	84%	84%

Consumer

Consumer Sector – Performance Highlights

(LKR millions)

LKR m	3QFY24	3QFY23	Growth (YoY) %	2QFY24	Growth (QoQ) %
Revenue	5,136	5,523	-7.0%	4,999	2.7%
EBIT	679	205	231.2%	782	-13.2%
<i>EBIT margin</i>	<i>13.2%</i>	<i>3.7%</i>		<i>15.6%</i>	
PAT	401	5	7920.0%	472	-15.0%
<i>PAT margin</i>	<i>7.8%</i>	<i>0.1%</i>		<i>9.4%</i>	

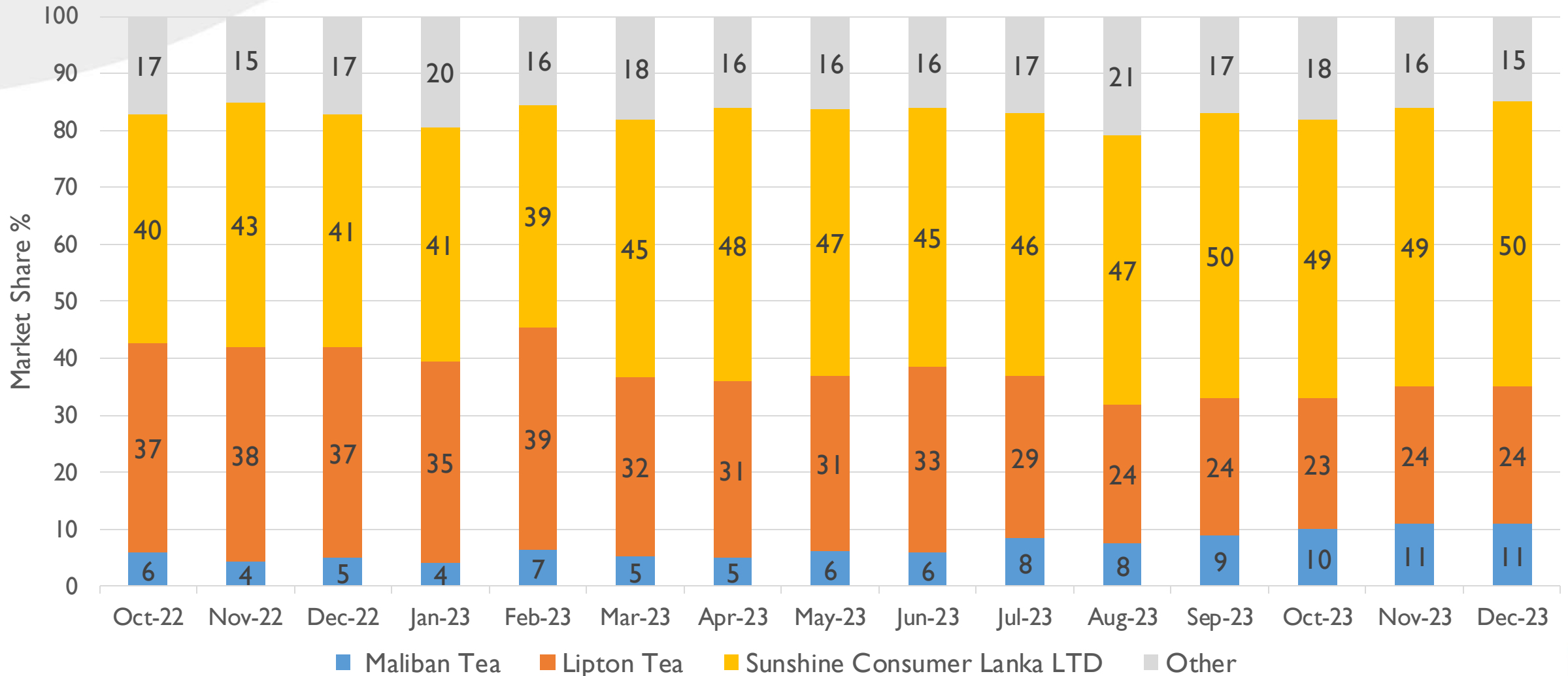
- Revenue for 3QFY24, driven by the volume contraction of confectionary (-26% YoY) and export segments (-39% YoY) despite the favourable price and volume impact from the local Tea segment (+31% YoY).
- Margins in consumer brands improved mainly due to the reduction in tea RM prices.
- However, margins contracted in the export business due to lower volumes.

Consumer Sector – Revenue & Volumes

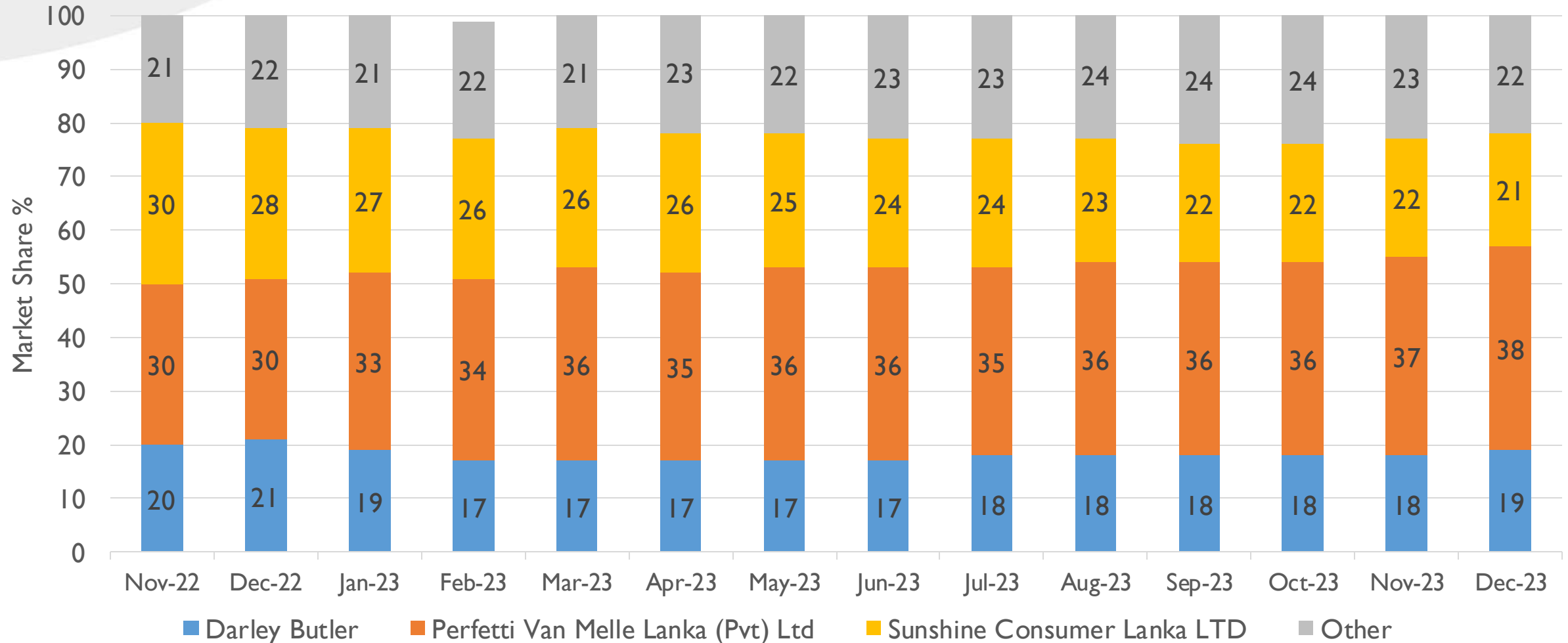


KPIs	FY23				FY24		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Volume							
Tea (Local)							
Revenue growth	-4%	10%	41%	84%	93%	77%	31%
Volume (Kgs '000)	1,009	974	1,260	1,095	1,053	1,157	1,361
YoY Growth	-21%	-26%	-16%	-10%	4%	19%	8%
Confectionary							
Revenue growth	33%	107%	73%	14%	7%	-31%	-26%
Volume (Kgs '000)	721	922	905	641	600	603	657
YoY Growth	-14%	16%	-27%	-30%	-17%	-35%	-27%
Tea (Export)							
Revenue growth	68%	89%	100%	45%	-20%	-22%	-39%
Volume (Kgs '000)	987	972	941	840	729	791	599
YoY Growth	-10%	-6%	-10%	-9%	-26%	-19%	-36%

Brand Value Market Share (%) – Tea



Brand Value Market Share (%) – Confectionary

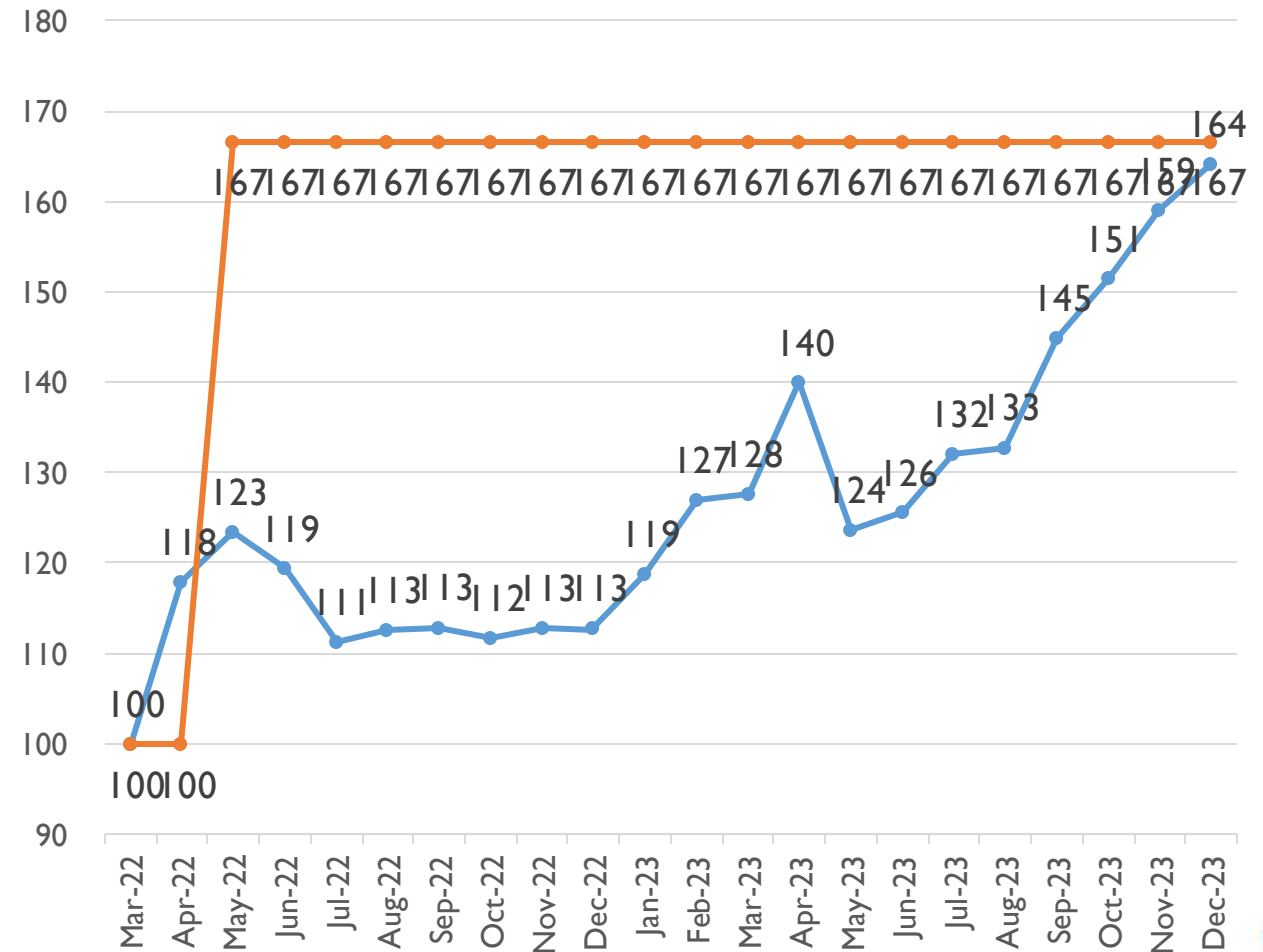
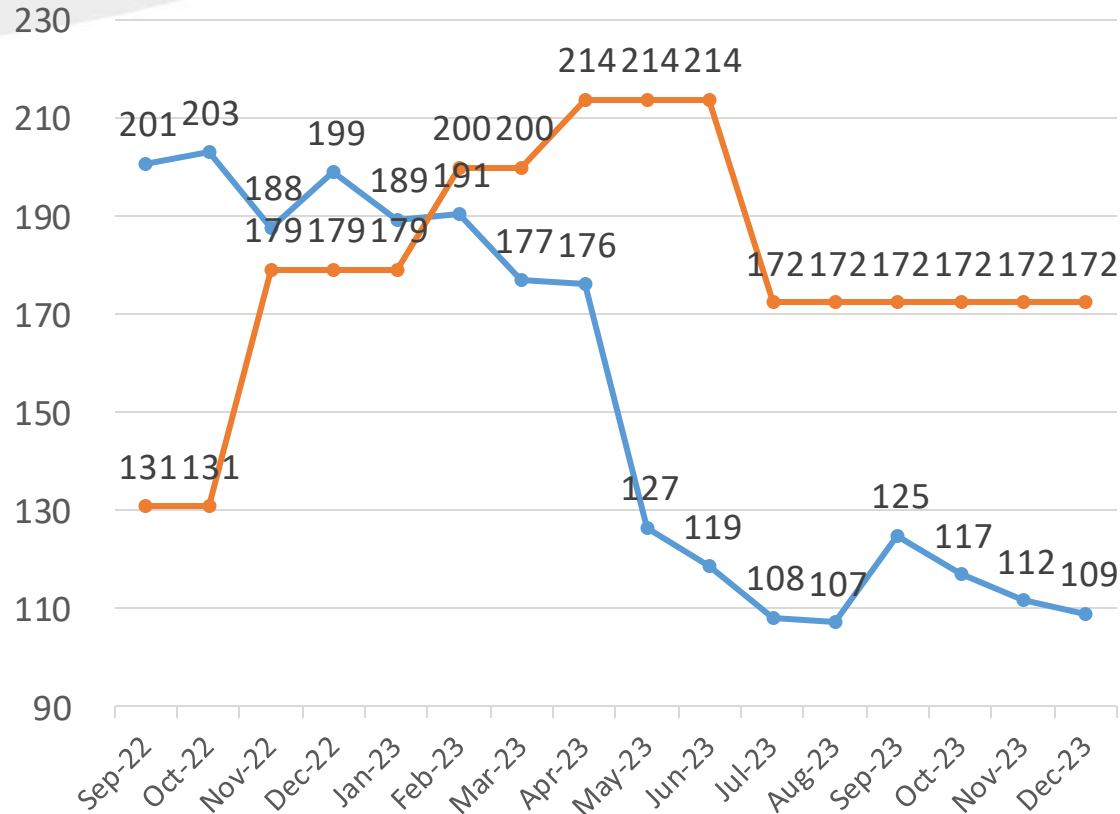


Source: Peppercube RMS

Price Index – Tea and Confectionary



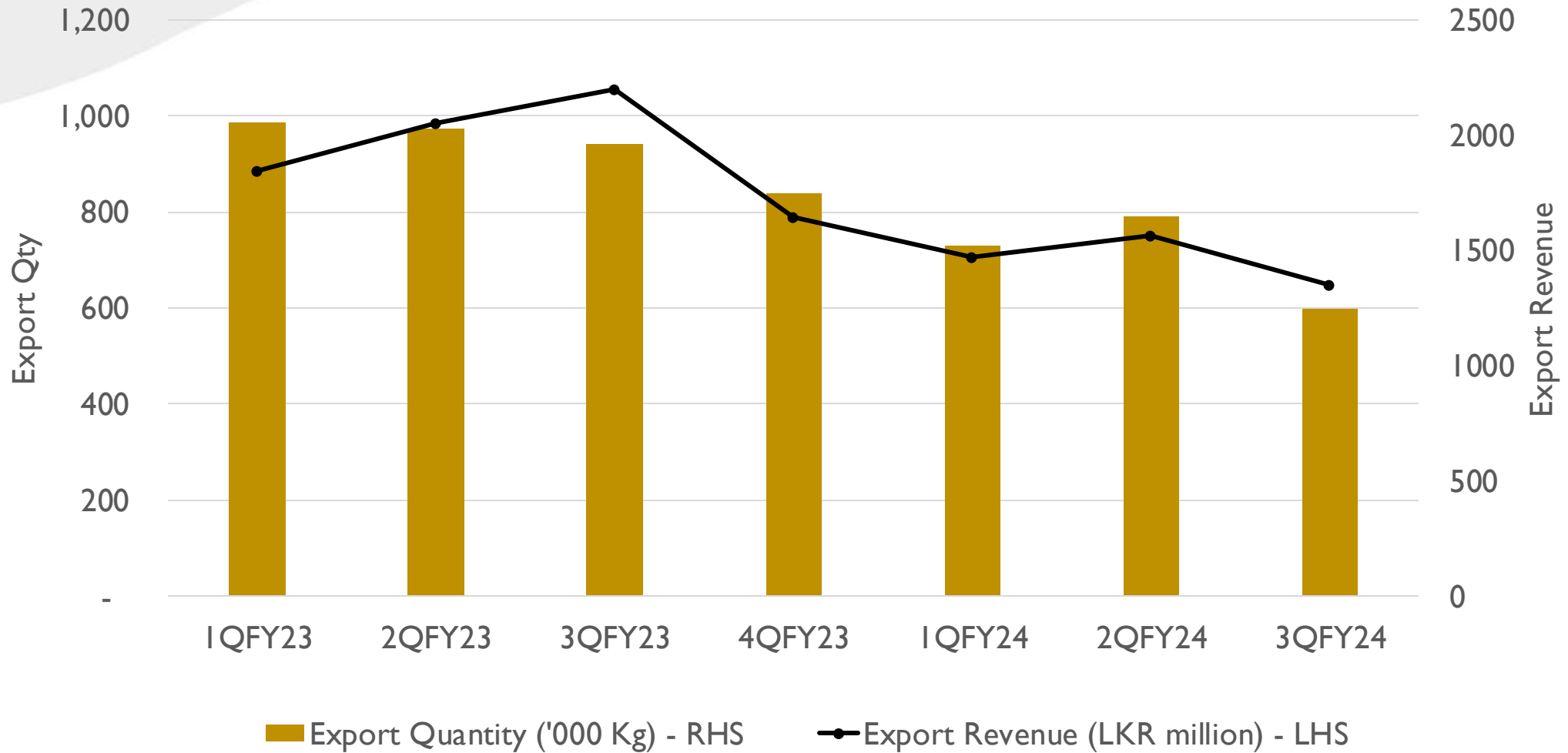
March 2022 considered as the base (i.e., 100)



Tea auction prices Tea - Watawala 100g

Sugar price Confectionary - Choco Mint

Sunshine Tea - Exports



- The revenue contracted 39% YoY mainly due to the adverse volume impact of the business.

Agribusiness

Agribusiness– Performance Highlights

(LKR millions)

LKR m	3QFY24	3QFY23	Growth (YoY) %	2QFY24	Growth (QoQ) %
Revenue	1,885	2,070	-8.9%	2,241	-15.9%
EBIT	608	724	-16.0%	907	-33.0%
<i>EBIT margin</i>	<i>32.3%</i>	<i>35.0%</i>		<i>40.5%</i>	
PAT	574	691	-16.9%	878	-34.6%
<i>PAT margin</i>	<i>30.5%</i>	<i>33.4%</i>		<i>39.2%</i>	

- Subsegment revenue growth 3QFY24 vs 3QFY23
 - Palm Oil: -14.0% YoY
 - Dairy: 20.3% YoY
- Palm oil business revenue de-growth was due to the reduction in price.
- Dairy Business revenue growth was driven by increase in both price and volume during 3QFY24.
- GP margin for 3QFY24 declined by 169 bps to 38.9% due to the drop in palm oil price while marginally offset by the positive gross profit in the dairy business due to the increase in topline and control of feed cost.

KPI – Agri Business

KPIs	FY23				FY24		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Volume growth (%YoY):							
CPO Production	-22%	-7%	20%	26%	50%	9%	-1%
Milk Production	-19%	5%	9%	5%	19%	4%	5%
Price growth (% YoY):							
Average palm oil price	70%	41%	-1%	14%	-17%	-28%	-4%
Average milk price	57%	78%	87%	68%	29%	15%	3%

Palm Oil

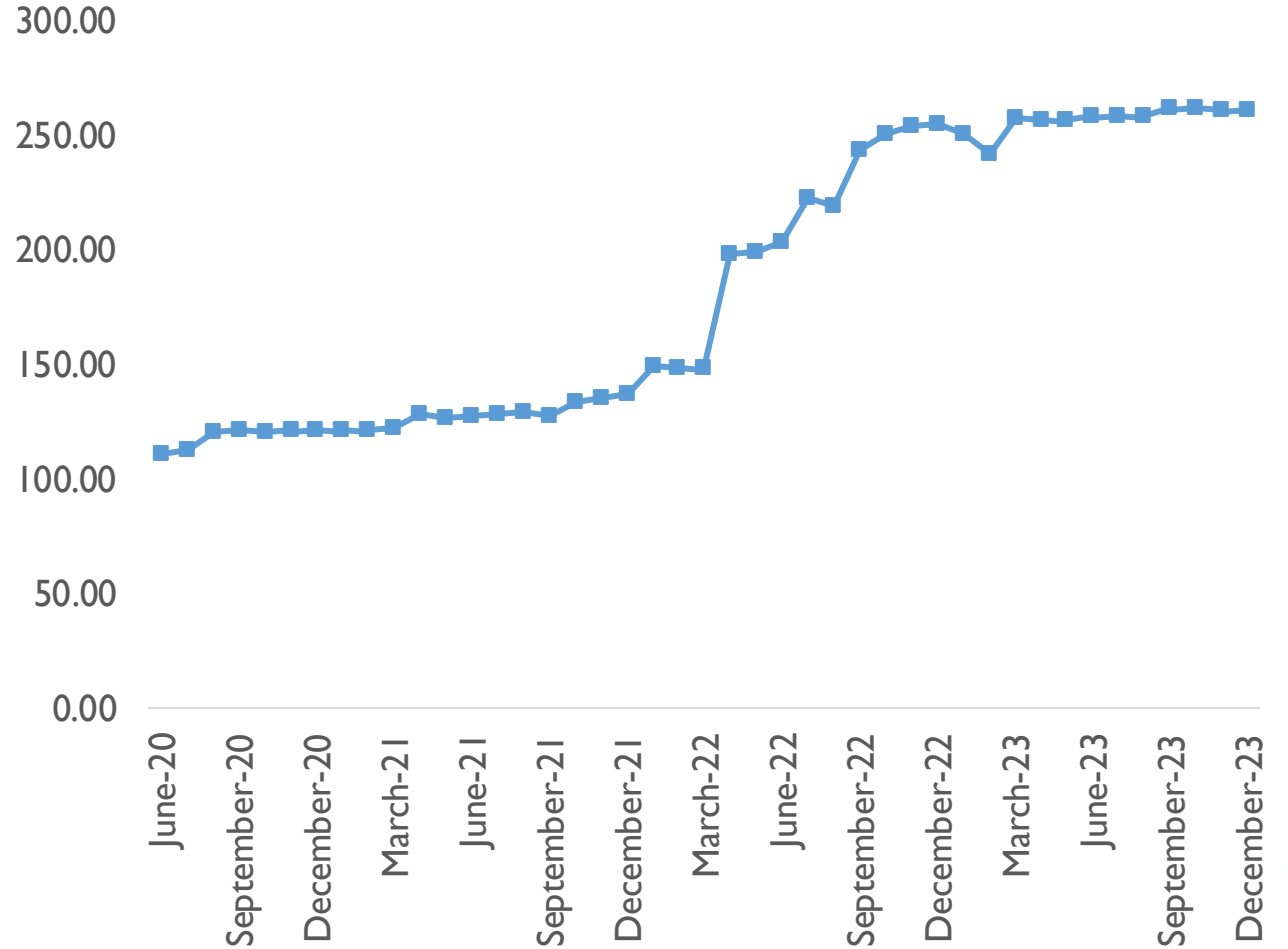


Settlement Price (RM)



Source: Malaysian contract price

WDL's Avg Milk Price



Q&A

Forward Looking Statements

This presentation contains forward-looking statements that are based on management's current expectations and assumptions. Forward-looking statements include predictions of future results or activities and may contain the words "expects," "believes," "should," "will," "anticipates," "projects," "estimates," "implies," "can," or words or phrases of similar meaning. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. Our predictions could be affected by a variety of factors, including: competitive dynamics and the markets for our products, including new product introductions, advertising activities, pricing actions and promotional activities of our competitors; economic conditions, including changes in inflation rates, interest rates, tax rates, or the availability of capital; product development and innovation; consumer acceptance of new products and product improvements; consumer reaction to pricing actions and changes in promotion levels; acquisitions or dispositions of businesses or assets; changes in capital structure; changes in laws and regulations, including labeling and advertising regulations; impairments in the carrying value of intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in accounting standards and the impact of significant accounting estimates; product quality and safety issues, including recalls and product liability; changes in consumer demand for our products; effectiveness of advertising, marketing and promotional programs; changes in consumer behavior, trends and preferences, including weight loss trends; consumer perception of health-related issues; consolidation in the retail environment; changes in purchasing and inventory levels of significant customers; fluctuations in the cost and availability of supply chain resources, including raw materials, packaging and energy; disruptions or inefficiencies in the supply chain; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure or breach of our information technology systems; foreign economic conditions, including currency rate fluctuations; and political unrest in foreign markets and economic uncertainty due to terrorism or war.

The company undertakes no obligation to publicly revise any forward-looking statements to reflect any future events or circumstances.

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