



sunshine

3QFY25 Earnings Webinar

Sunshine Holdings PLC

11 February 2025

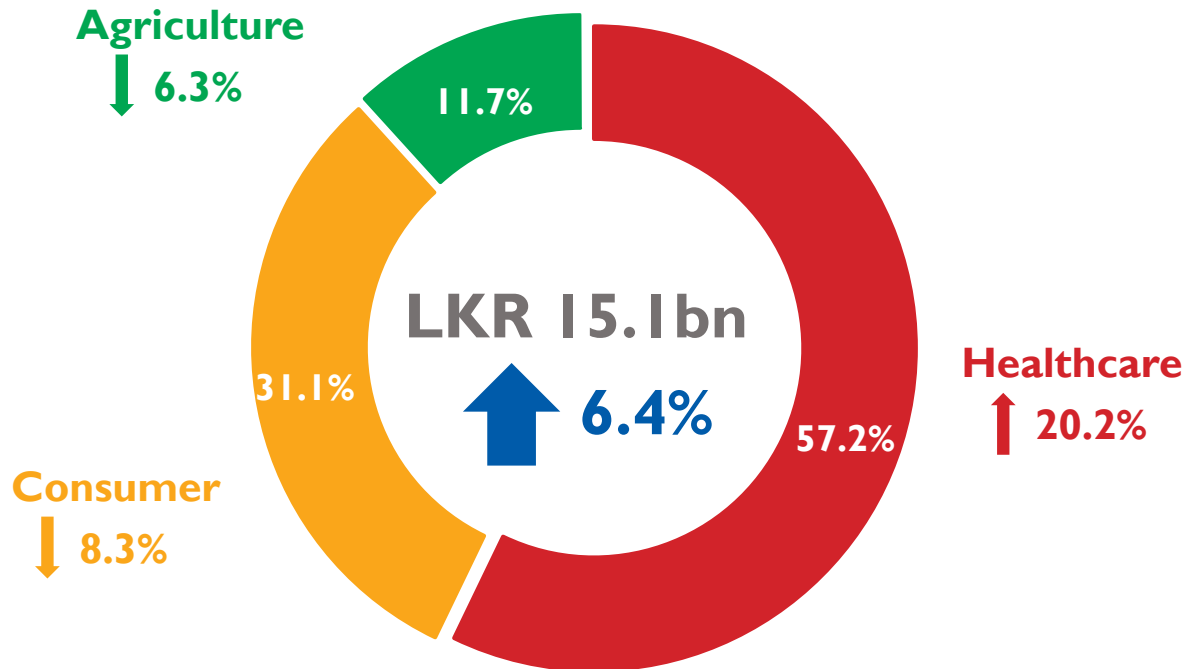
- The webinar will be recorded and later uploaded to our IR website as well as CSE website for future reference (<https://www.sunshineholdings.lk/investor/financial-reports>)
- All participants will be muted during the presentation
- Participants can use the 'Raise Hand' option to ask questions during the Q&A session, and we will unmute them accordingly
- Participants can also raise their questions via the chat box

- February 10th – Shareholders of SUN have approved the share split of **one** ordinary share into **four** ordinary shares
- Watawala Plantations PLC's (WATA) has proposed a share split of **one** ordinary share into **five** ordinary shares
- Sunshine Holdings PLC has restructured its consumer segment by transferring its 100% stake in Sunshine Tea (Pvt) Ltd. to Sunshine Consumer Lanka Ltd

Group Performance

Group at a Glance – 3QFY25

Revenue Composition – 3QFY25



LKR 2.8bn
7.5% YoY
EBIT

LKR 1.8bn
-3.0% YoY
Earnings

LKR 2.42
-14.8% YoY
EPS

21.1%
-8.4 pts YoY
Gearing

21.6%
-3.9 pts YoY
ROE

LKR 40.99
+10.3% YoY
NBV

LKR 49.2bn
+96.1% YoY
Mkt Cap

11.0x
+131.1% YoY
PER

1.5%
5.0% - FY24
Div Yield

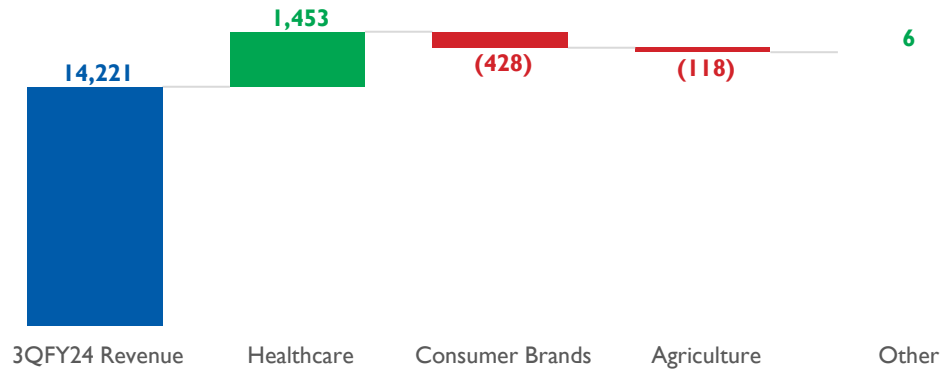
Group – Performance Highlights

LKR mn	3QFY25	3QFY24	YoY %	2QFY25	QoQ %
Revenue	15,134	14,221	6.4%	15,812	-4.3%
EBIT	2,761	2,568	7.5%	2,557	8.0%
<i>EBIT margin</i>	<i>18.2%</i>	<i>18.1%</i>		<i>16.2%</i>	
PAT	1,759	1,812	-3.0%	1,548	13.6%
<i>PAT margin</i>	<i>11.6%</i>	<i>12.7%</i>		<i>9.8%</i>	
PATMI	1,193	1,400	-14.8%	1,234	-3.3%
EPS (LKR)	2.42	2.84	-14.8%	2.51	-3.3%

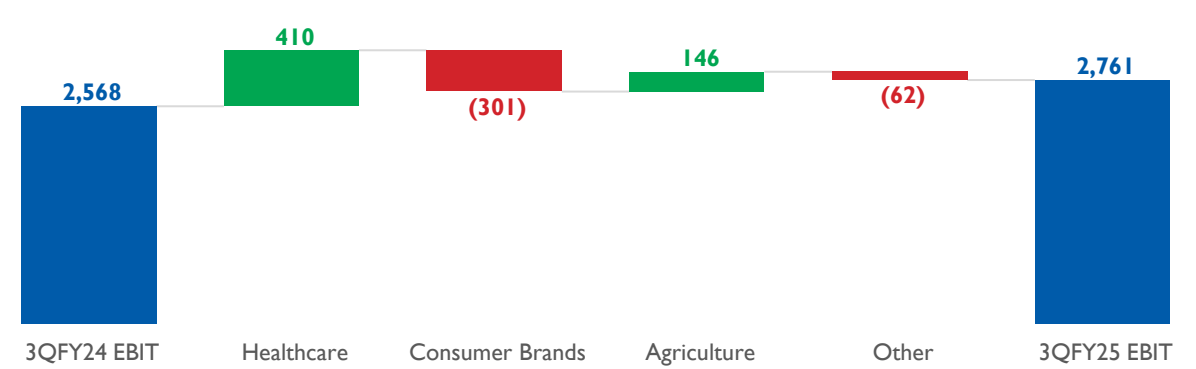
- Despite the slight drop in GP margins from 32.8% to 31.6% in 3QFY25, the EBIT margins were sustained at 18.2% cf. 18.1% in 3QFY24 driven by favorable margin expansion in both the Healthcare and Agribusiness Sectors
- The Group reported Profit after tax (PAT) for the period of LKR 1.8 bn, a 3.0% YoY decrease, primarily impacted by the higher taxation in the agribusiness sector and challenges faced in the local Consumer sectors

Movement in Revenue & EBIT

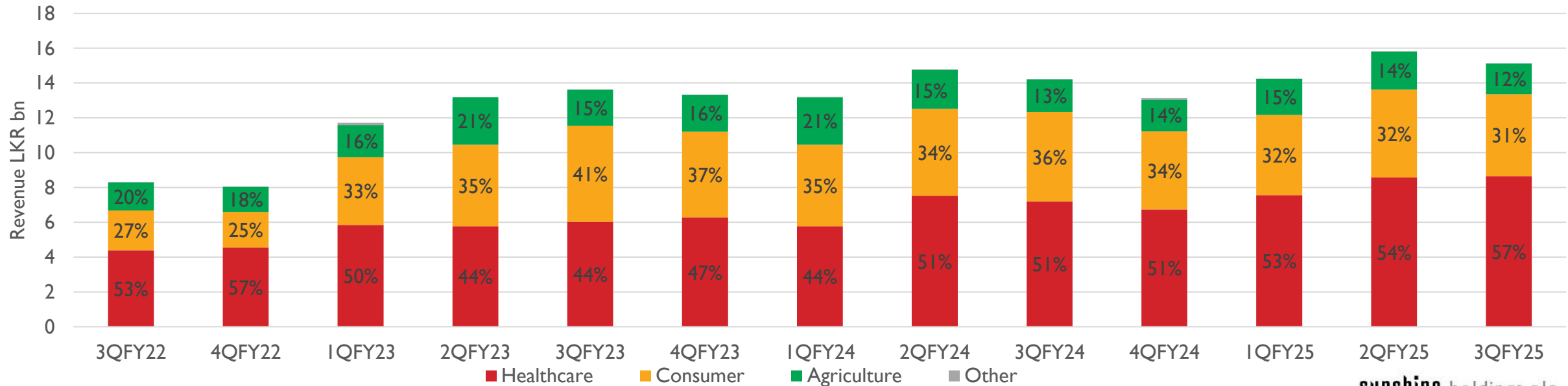
Revenue Movement [LKR Million]



EBIT Movement [LKR Million]



Revenue Composition – Revenue QoQ



Healthcare

Sunshine Healthcare Lanka (SHL) is Sri Lanka's only fully integrated healthcare company encompassing the entire pharma value chain



3QFY25

8.7 bn
Revenue

19.8 %
EBIT Margin

13.1 %
PAT Margin

Manufacturing and R&D

Sri Lanka's first facility for Respiratory Care Research and Manufacturing, producing Respiratory Care Products and an Inhaler Device

Government and Local market

Capsules Tablets Nasal Spray Devices Creams MDI

Contract manufacturing

Importation and Agency

Sri Lanka's third largest (13.02% market share) importer in the Pharma and Medical Devices segment with access to 75+ principals

Key principals

Retail (Pharmacy)

Healthguard Pharmacy, has grown to 15 outlets in the Colombo district, becoming Sri Lanka's leading Health and Wellness chain

Complete pharma offering

Skilled, Educated, Qualified, Pharmacists

Range & depth in wellness

Digital centric organizational model

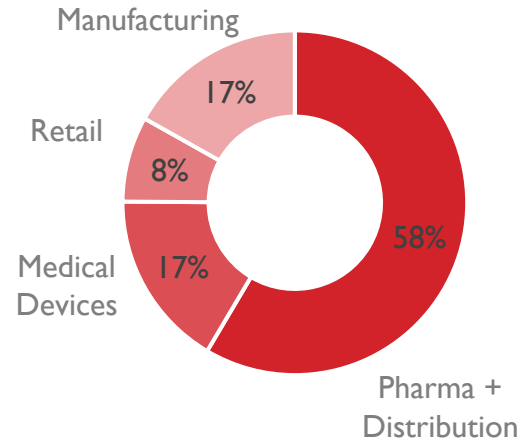
Distribution

Fully-fledged distribution division to assist local pharmaceutical importers and manufacturers in expanding their reach among retail pharmacy outlets across Sri Lanka

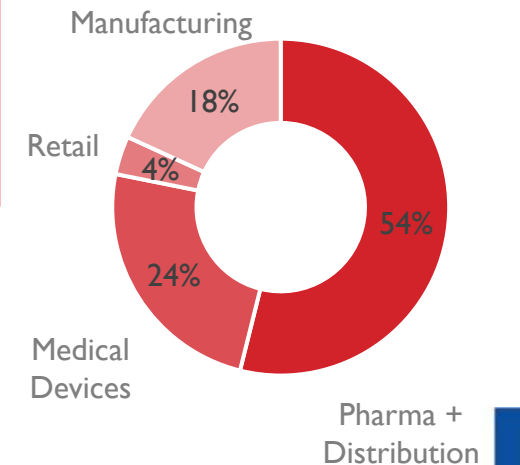
Six distribution centers with 25,000 sqft storage and 24x7 cold chain management

Reaches 3,500 outlets in 620 towns, with scalable operations and fleet.

Revenue Split 3QFY25



Total Asset Split 3QFY25



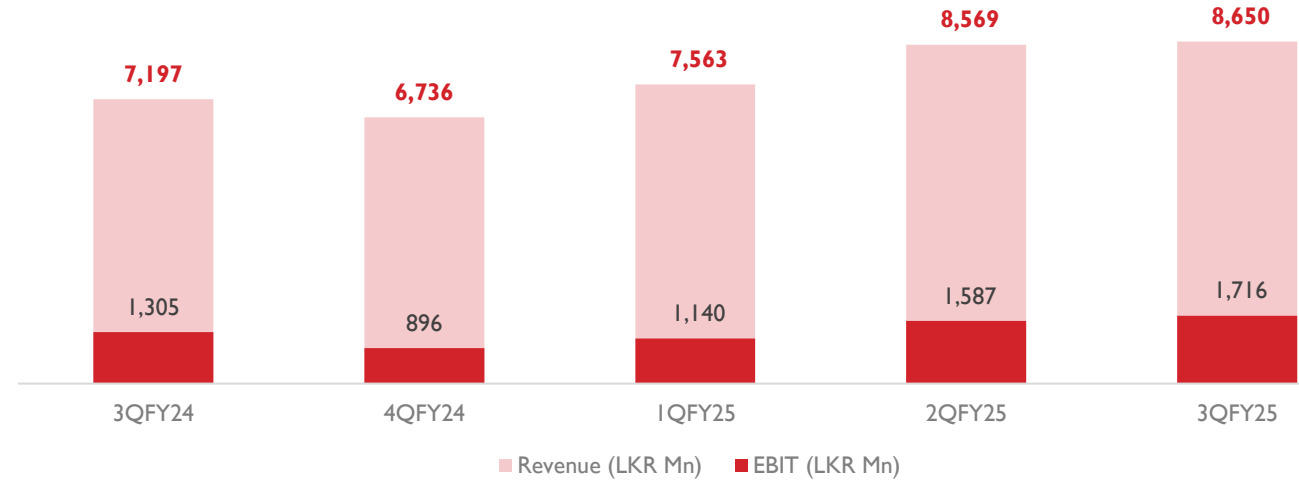
Footnote : I- Included under Importation and Agency

Healthcare Sector – Highlights

Sector Highlights

Healthcare sector revenue for 3QFY25 increased by **20.2%** YoY, driven by topline growth in both the pharmaceutical agency and manufacturing segments

This growth contributed to an improved EBIT margin of 19.8% for 3QFY25, up by **170 bps** YOY, reflecting the overall positive performance across these key areas



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	19.4%	-4.4%	7.2%	-6.4%	19.8%	12.3%	13.9%	13.3%	20.2%	0.9%
EBIT Margin (%)	18.1%		13.3%		15.1%		18.5%		19.8%	
PAT	835		349		712		1,059		1,134	
PAT Margin (%)	11.6%		5.2%		9.4%		12.4%		13.1%	
ROIC (%)	32.9%		24.3%		21.6%		24.7%		27.4%	

LKR Million unless stated otherwise

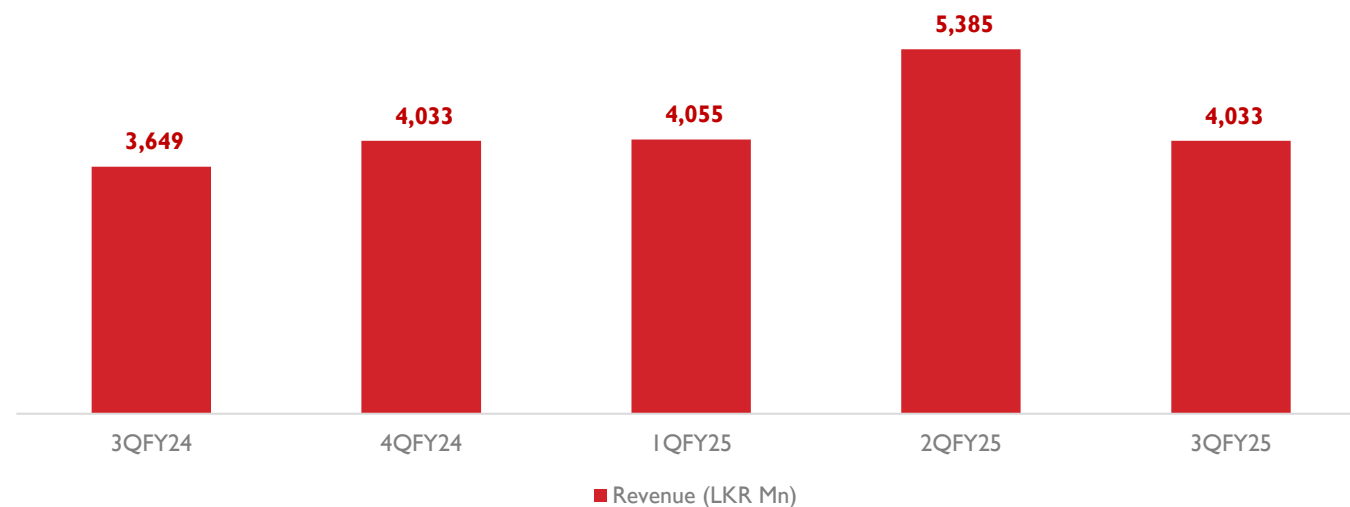
Sunshine Pharmaceuticals – Performance Highlights



Business Highlights

The pharmaceutical segment's revenue grew by **10.5%** YoY, driven by a volume growth of **17.5%** YoY during the period

During 3Q IQVIA, the market experienced a growth of **1.2%** (2024 MAT%)



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	4.9%	-20.4%	-9.9%	10.5%	14.1%	0.5%	17.5%	32.8%	10.5%	-25.1%
Volume Growth (%)*	20.6%		18.3%		27.9%		8.1%		17.5%*	
Market Share (%)	13.1%		13.1%		12.7%		13.0%		13.0%	

LKR Million unless stated otherwise

* Volume growth excluding of Infinity Agencies

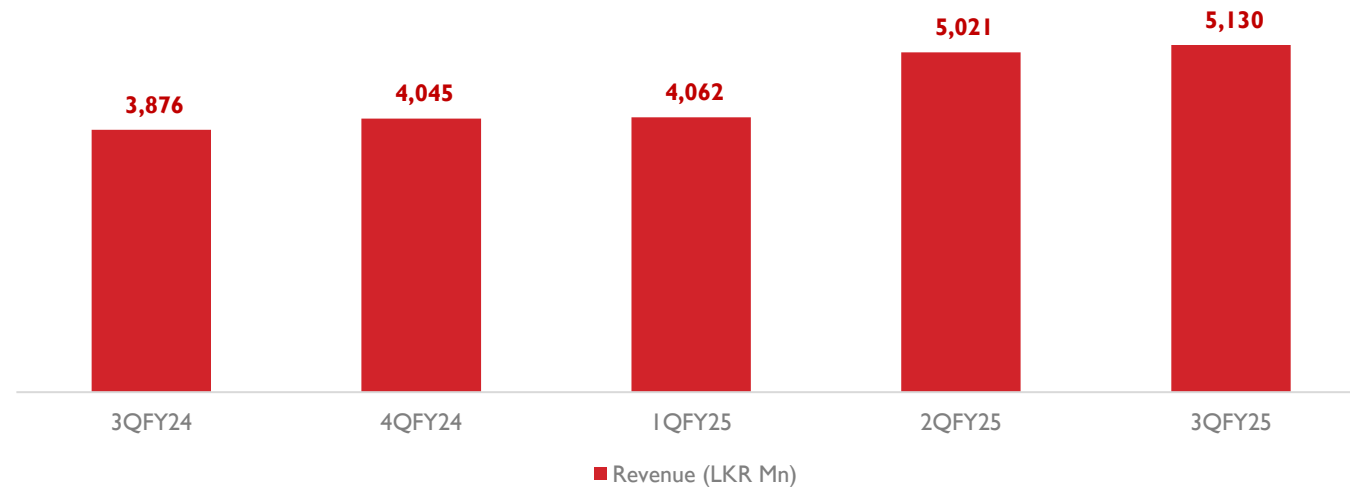
Market Dynamics Hyperlink



Business Highlights

The distribution segment’s revenue grew by **32.3%** YoY, driven by a significant volume growth of **17.9%** YoY during the quarter

All six distribution centers were fully functional during 3QFY25



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	15.2%	-9.5%	8.4%	4.4%	18.0%	0.4%	17.2%	23.6%	32.3%	2.2%

LKR Million unless stated otherwise,

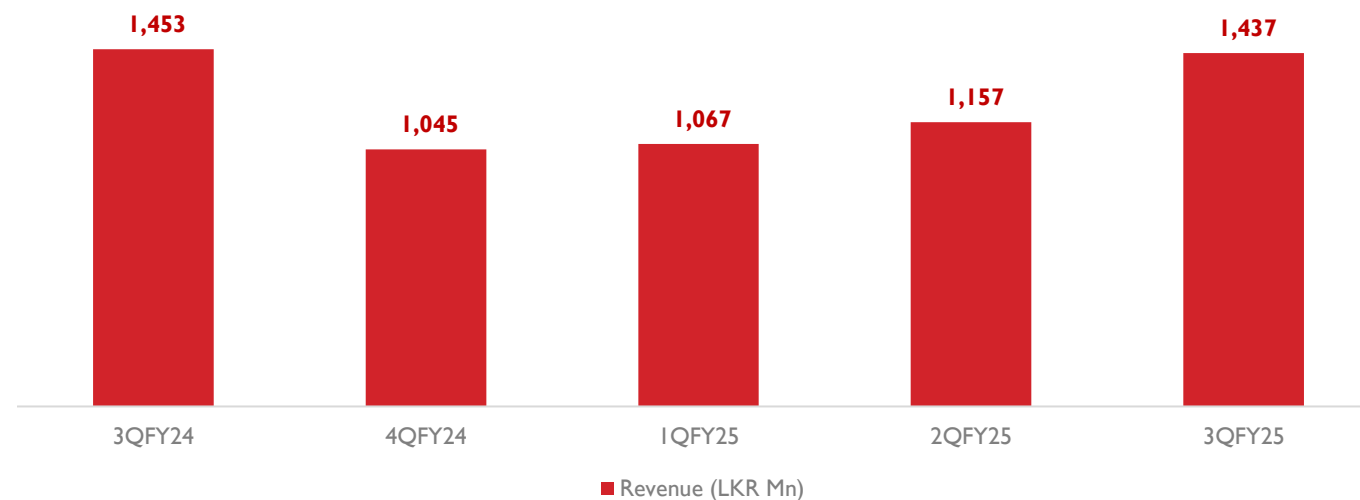
* Approximately 87% of the revenue is generated from internal customers, which are classified as intercompany sales

Sunshine Medical Devices – Performance Highlights

Business Highlights

The medical devices segment saw a contraction of **1.1%** YoY due to the lack of one-off tender sales in 3QFY25

Excluding tender sales, the segment's revenue grew **15.1%** YoY (YTD)

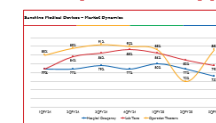


Investor Metrics

	3QFY24		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	23.5%	-13.6%	-7.4%	-28.0%	-20.4%	2.1%	-31.2%	8.4%	-1.1%	24.2%

LKR Million unless stated otherwise

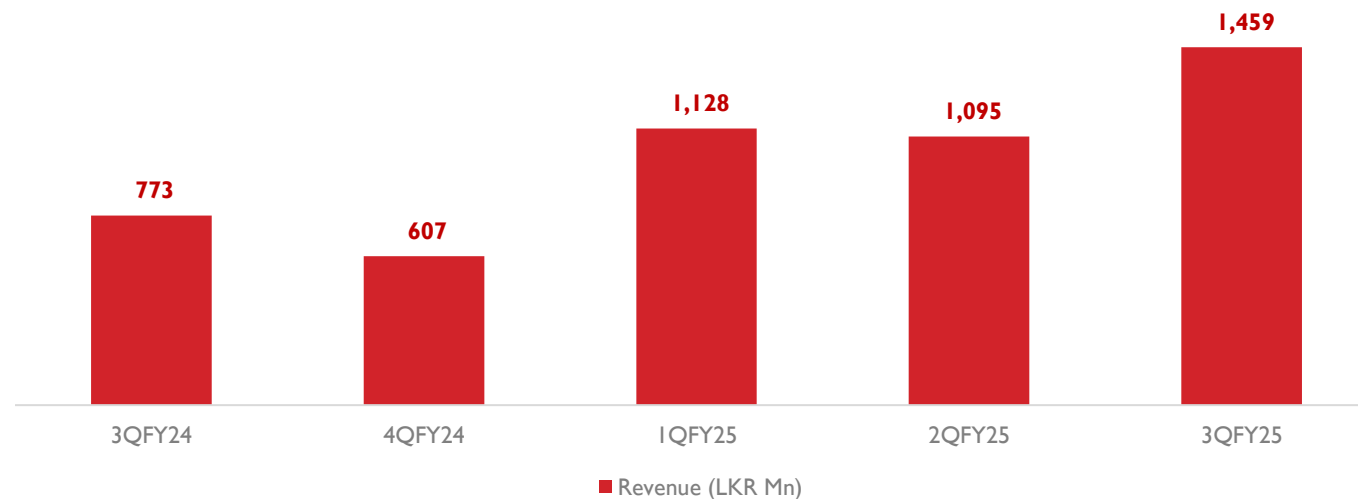
Market Dynamics Hyperlink



Business Highlights

During the 3QFY25, pharmaceutical manufacturing business, achieved a remarkable revenue growth of **88.8%** YoY, driven by increased Metered Dose Inhaler (MDI) sales to Medical Supplies Division (MSD)

To date, Lina has manufactured the full 2024 MDI requirements for the Government's MSD



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	181.2%	53.8%	50.7%	-21.4%	104.4%	85.7%	118.0%	-2.9%	88.8%	33.2%
MDI Capacity Utilization (%)*	41%		54%		59%		75%		51%	

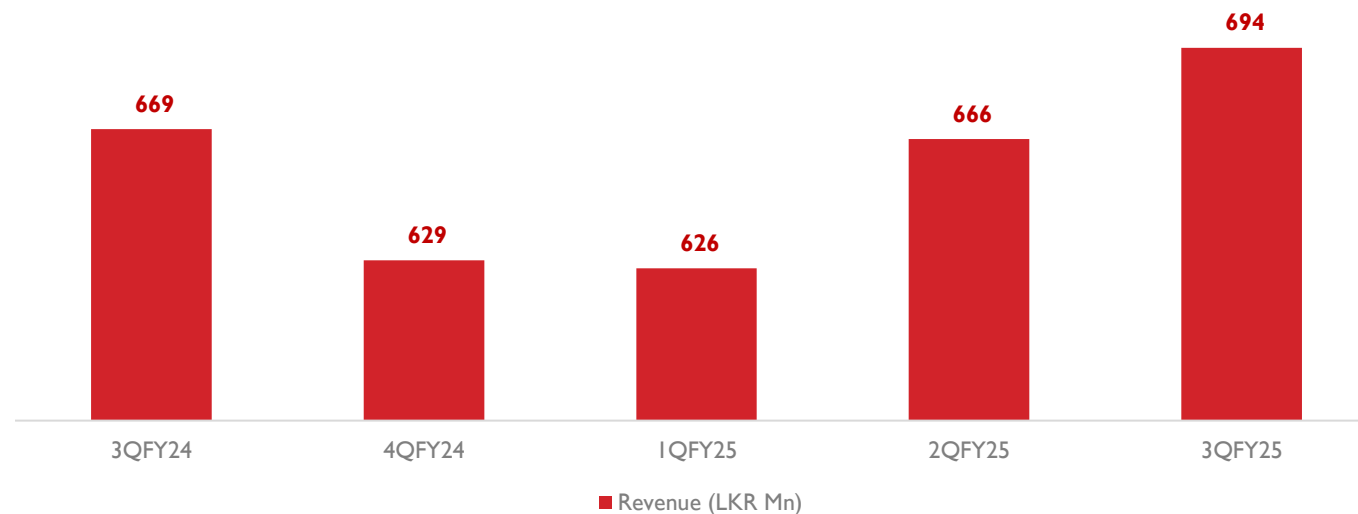
LKR Million unless stated otherwise

*MDI Capacity Utilization calculation was updated to reflect the 24x7 manufacturing

Business Highlights

The retail segment, Healthguard Pharmacy, witnessed a **3.7%** YoY increase in revenue, fueled by improvements in both value and volume

Within retail, the pharmaceutical category recorded growth in both value and volume, the wellness category experienced value growth despite a decline in volume



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	25.1%	10.0%	16.5%	-6.0%	10.2%	-0.4%	9.5%	6.3%	3.7%	4.2%
Same store sales (SSS) growth (%)	17.2%		8.9%		4.1%		4.5%		1.5%	
Bill count growth (SS) (%)	13.6%		5.0%		-0.7%		1.0%		-0.9%	
Average Basket Value growth (SS) (%)	2.4%		6.8%		4.9%		4.1%		2.5%	
Availability (Top 1,750 SKUs) (%)	84%		86%		83%		85%		83%	

LKR Million unless stated otherwise

Consumer Brands

Sunshine Consumer, Market leader in branded tea and sugar confectionery



sunshine
consumer

3QFY25

4.7 bn
Revenue

8.0 %
EBIT Margin

4.2 %
PAT Margin

Tea

Largest branded tea company in Sri Lanka – 49% market share*

*Peppercube Retail Measurement Survey

Catering to three distinct need and value segments, the portfolio comprising of three brands: Zesta, Watawala thei and Ran Kahata

Sugar Confectionery

Market leader in the hard-boiled candies category: ~26% market share

Brands consist of Daintee, Milady, X-tra and Daintee Hearts

Exports

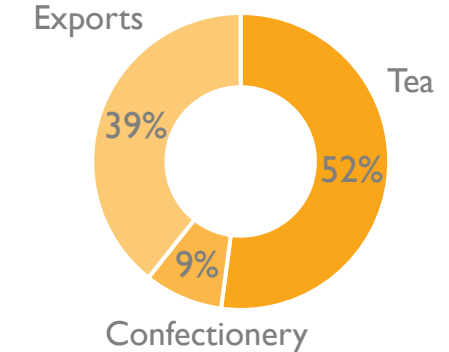
Exports value-added-tea products, including procuring, blending, packaging, and contract manufacturing of tea for private labels

Exports to 40+ countries, including USA, China, Iran, Dubai and Germany

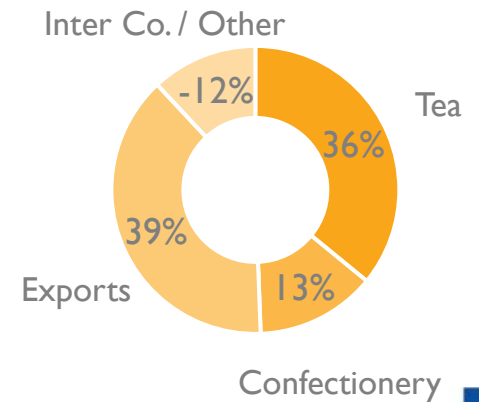
Brand Portfolio



Revenue Split 3QFY25



Total Asset Split 3QFY25

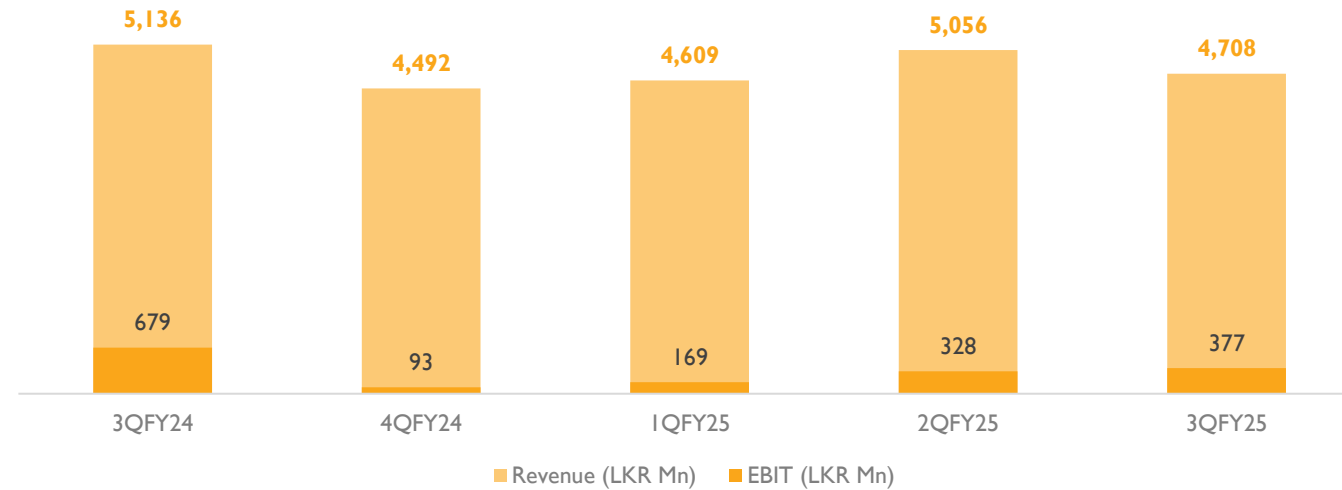


Consumer Sector – Highlights

Sector Highlights

The Consumer Brands sector, including both export and domestic businesses, recorded a revenue decline of **-8.3%** YoY largely due to the reduced volumes in the confectionery segment and favorable tea prices last year

EBIT margins improved to 8.0% due to mainly reduction in overhead expenditure during quarter



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	-7.0%	2.7%	-8.7%	-12.5%	-1.9%	2.6%	1.1%	9.7%	-8.3%	-6.9%
EBIT Margin (%)	13.2%		2.1%		3.7%		6.5%		8.0%	
PAT	401		90		91		154		196	
PAT Margin (%)	7.8%		2.0%		2.0%		3.0%		4.2%	
ROIC (%)	24.4%		22.0%		18.1%		13.2%		10.0%	

LKR Million unless stated otherwise

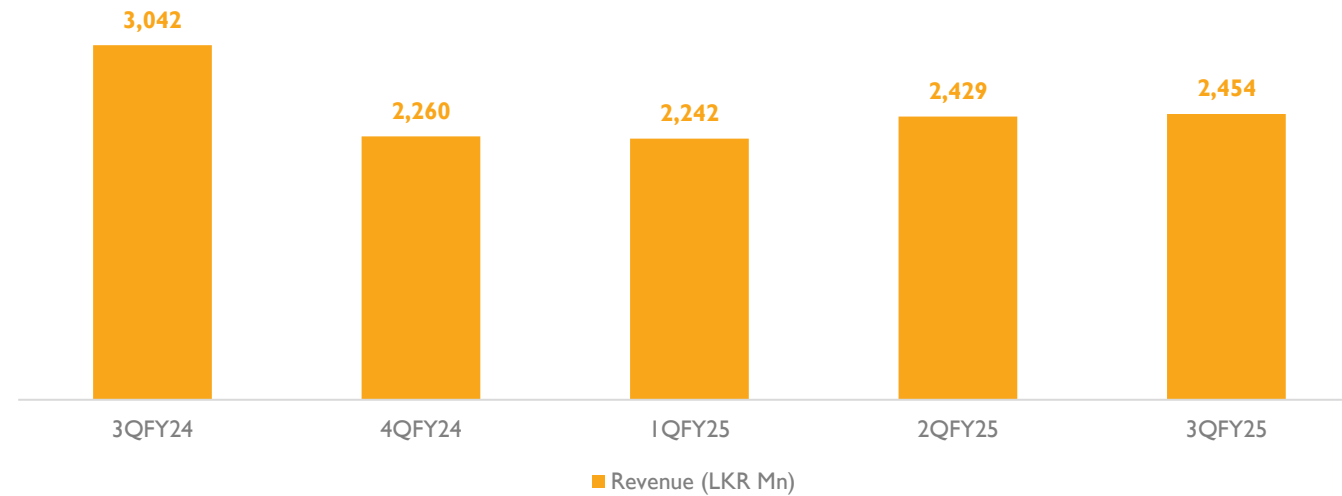
Tea – Performance Highlights



Business Highlights

Revenue from the Branded Tea businesses declined **19.3%** YoY to LKR 2,454 mn in 3QFY25, primarily due to the implementation of VAT. However, on a QoQ basis, the segment recorded modest revenue growth of **1.0%** YoY and a **1.9%** YoY increase in volume

Despite challenging consumer sentiment, the tea brands Watawala Thei and Ran Kahata demonstrated resilience with volume growth QoQ, despite Zesta experiencing a volume contraction during the quarter



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	31.3%	14.9%	-7.4%	-25.7%	-11.3%	-0.8%	-8.3%	8.4%	-19.3%	1.0%
Volume (kgs '000)	1,361		1,201		1,150		1,224		1,247	
Volume Growth % (YoY) (QoQ)	8.0%	17.6%	9.7%	-11.8%	9.2%	-4.2%	5.8%	6.4%	-8.4%	1.9%
Market Share (%) – Quarter Average	45.8%		44.9%		45.0%		47.5%		48.7%	

LKR Million unless stated otherwise

Market Dynamics Hyperlink



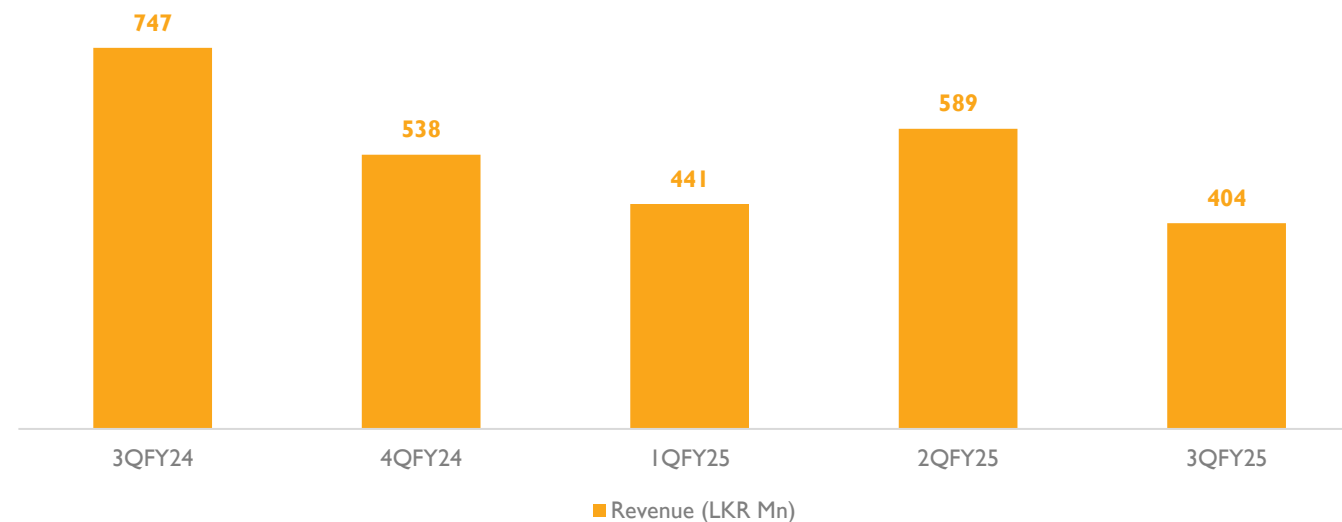
Confectionery – Performance Highlights



Business Highlights

Revenue from the Confectionery businesses declined by **46.0%** YoY, due to a drop in sales volume during the period.

The Confectionery segment continued to face challenges due to weak consumer sentiment following VAT increases and intensified competitor activities in the market



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	-26.1%	8.0%	-27.5%	-28.1%	-37.1%	-17.9%	-14.9%	33.5%	-46.0%	-31.5%
Volume (kgs '000)	657		507		384		523		351	
Volume Growth % (YoY) (QoQ)	-27.4%	9.0%	-20.7%	-22.8%	-36.0%	-24.3%	-13.3%	36.2%	-46.6%	-32.9%
Market Share (%) – Quarter Average	21.3%		21.7%		20.7%		20.1%		18.8%	

LKR Million unless stated otherwise

Market Dynamics Hyperlink



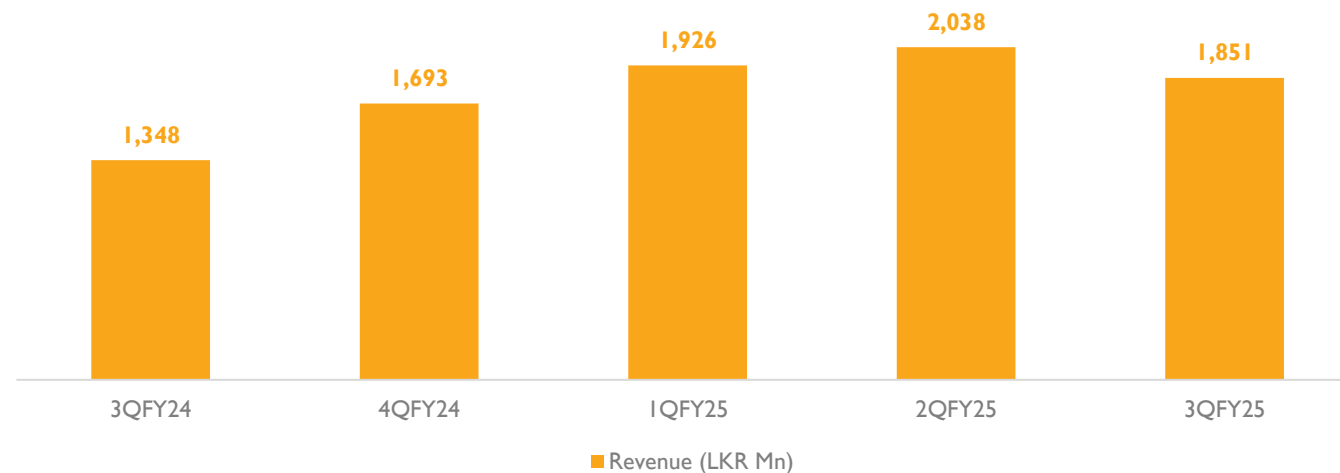
Exports – Performance Highlights



Business Highlights

The export business recorded a revenue growth of **37.4%** YoY to reach LKR 1,851mn

The export business continued to perform strongly, with the recovery in export volumes driven by increased demand from key clients



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	-38.6%	-18.7%	-3.0%	25.7%	31.1%	13.8%	22.9%	5.8%	37.4%	-9.2%
Volume (kgs '000)	599		800		904		841		865	
Volume Growth % (YoY) (QoQ)	-36.3%	-24.3%	4.3%	33.6%	24.0%	13.0%	6.3%	-7.0%	44.5%	2.9%

LKR Million unless stated otherwise

Agribusiness

Watawala Plantations PLC primarily engages in palm oil and dairy farming



Watawala Plantations PLC

3QFY25

1.8 bn
Revenue

42.6 %
EBIT Margin

27.6 %
PAT Margin

Palm Oil

A land extent of ~3,400 Ha under palm oil cultivation

The first in South Asia to receive RSPO certification for sustainable oil palm plantation

Positioning – largest oil palm cultivator in Sri Lanka

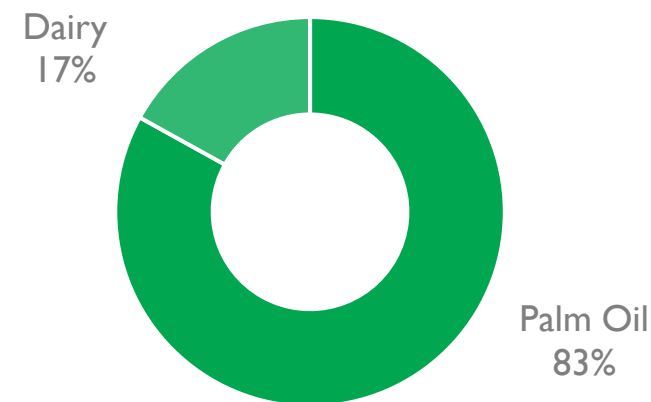
Dairy

729 milking cows / 1,686 herd

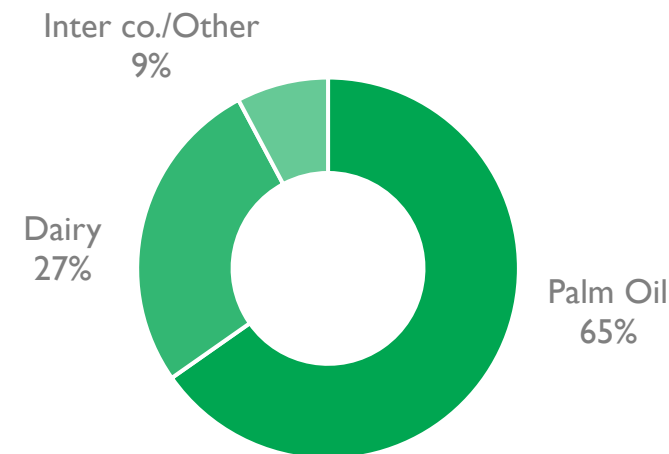
Board of Investment (BOI) registered project which commercial operations in Aug 2017

DAIRYMASTER milking parlour system capable of monitoring the progress of each animal's yield and quality of milk produced

Revenue Split 3QFY25



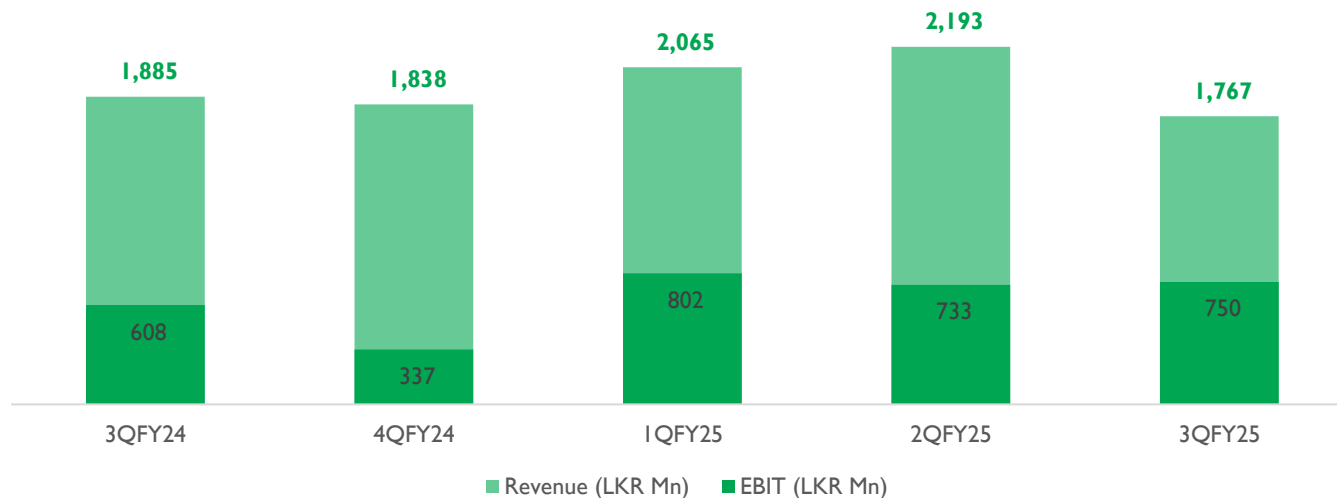
Total Asset Split 3QFY25



Sector Highlights

The Agribusiness sector reported revenue of LKR 1.8 bn in 3QFY25, reflecting a **6.3%** YoY contraction, stemming from a **25.1%** YoY contraction in the dairy business

GP margin for 3QFY25 improved to 48.5% from 38.9% last year, primarily due to the cessation of organic fertilizer use and delays in inorganic fertilization



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	-8.9%	-15.9%	-13.3%	-2.5%	-12.4%	12.4%	-2.2%	6.2%	-6.3%	-19.4%
EBIT Margin (%)	32.3%		18.3%		38.8%		33.4%		42.5%	
PAT / PAT Margin (%)	574	30.5%	142	7.7%	582	28.2%	402	18.4%	488	27.6%
ROIC (%)	27.3%		25.3%		27.0%		28.1%		29.1%	

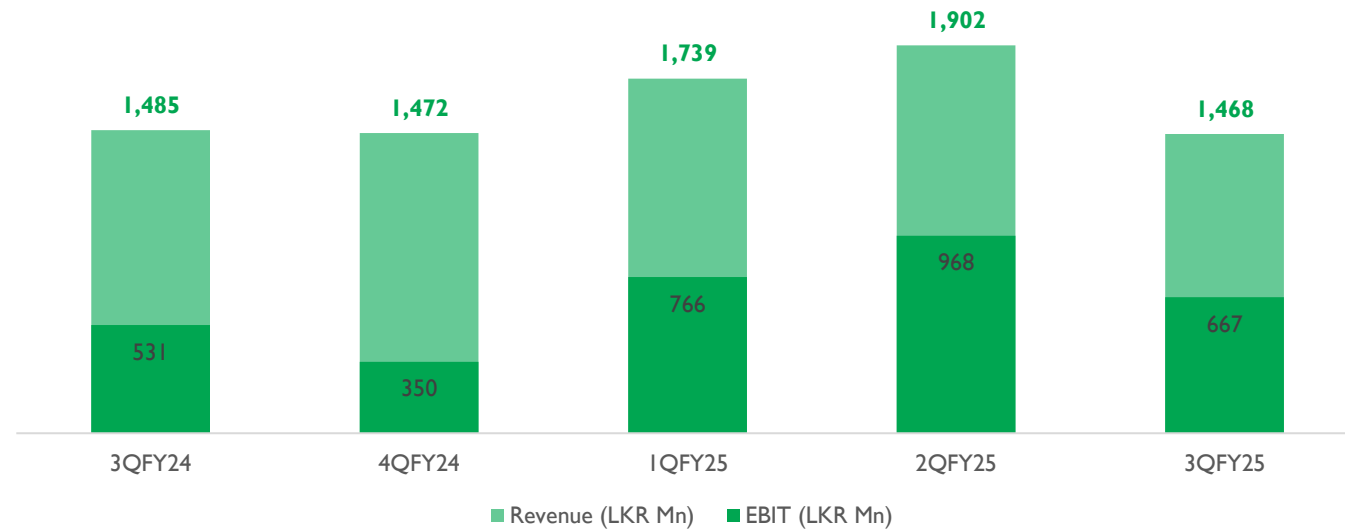
LKR Million unless stated otherwise

Palm Oil – Performance Highlights

Business Highlights

The palm oil segment maintained similar revenue levels compared to last year, supported by marginal price increases despite a decline in sales volume

The business achieved a net profit margin of 32.6% for the period ending 3QFY25, reflecting a **212 bps** decrease compared to the same period last year due to the change into applicable taxation rates



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	-13.8%	-21.5%	-18.6%	-0.9%	-13.8%	18.1%	0.5%	9.3%	-1.2%	-22.8%
EBIT Margin (%)	35.7%		23.8%		44.0%		50.9%*		45.4%	
PAT / PAT Margin (%)	516	34.7%	332	22.6%	556	32.0%	654	34.4%	476	32.6%
CPO Production Growth (YoY %)	-1%		-4%		-21%		-5%		-15%	
Average palm oil price Growth (YoY %)	-4%		-12%		-12%		1%		4%	

LKR Million unless stated otherwise

* Excluding Impairment on Investment in subsidiary of LKR 139m

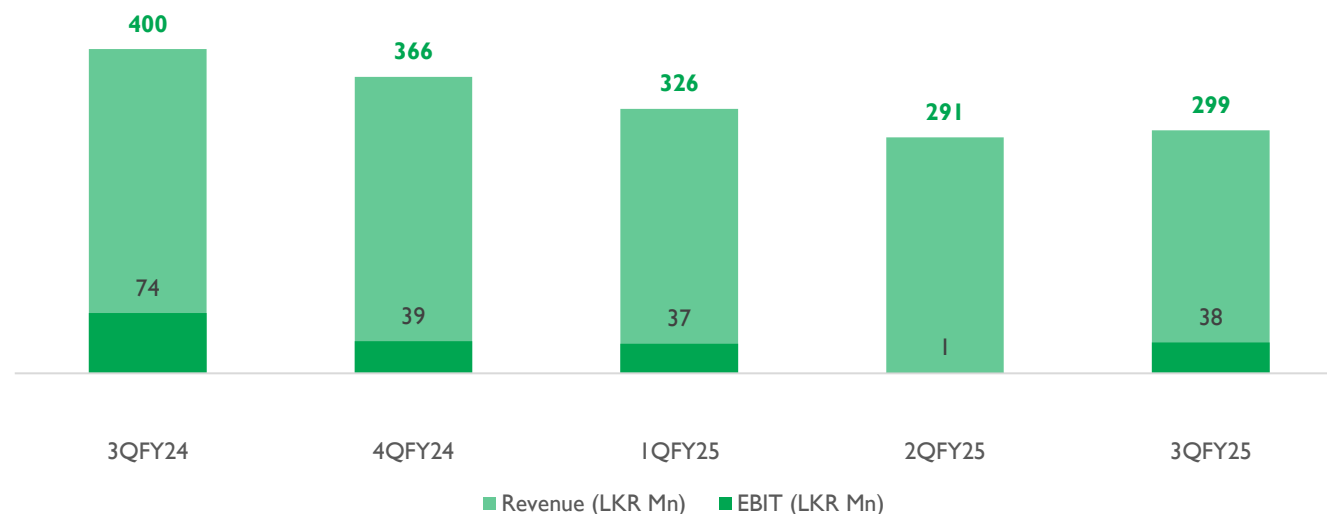
Dairy – Performance Highlights

Business Highlights

The dairy business recorded a revenue of LKR 299m cf. LKR 400m in the same period last year

During 3QFY25, topline and profitability were impacted by lower milk selling prices and a decline in milk sales volume

The farm had a herd strength of 1,686 of which 729 were milking cows at end December 2024



Investor Metrics

	3QF424		4QFY24		1QFY25		2QFY25		3QFY25	
Revenue Growth % (YoY) (QoQ)	15.4%	14.8%	18.0%	-8.6%	-4.2%	-10.8%	-16.4%	-10.8%	-25.1%	2.9%
EBIT Margin (%)	18.6%		10.8%		11.2%		0.3%*		12.8%	
PAT / PAT Margin (%)	58	14.6%	-142	-38.8%	27	8.2%	-11*	-3.8%	-23	-7.6%
Milk Production Growth (YoY %)	5%		10%		-1%		-16%		-14%	
Average milk price Growth (YoY %)	3%		4%		1%		-10%		-13%	

LKR Million unless stated otherwise

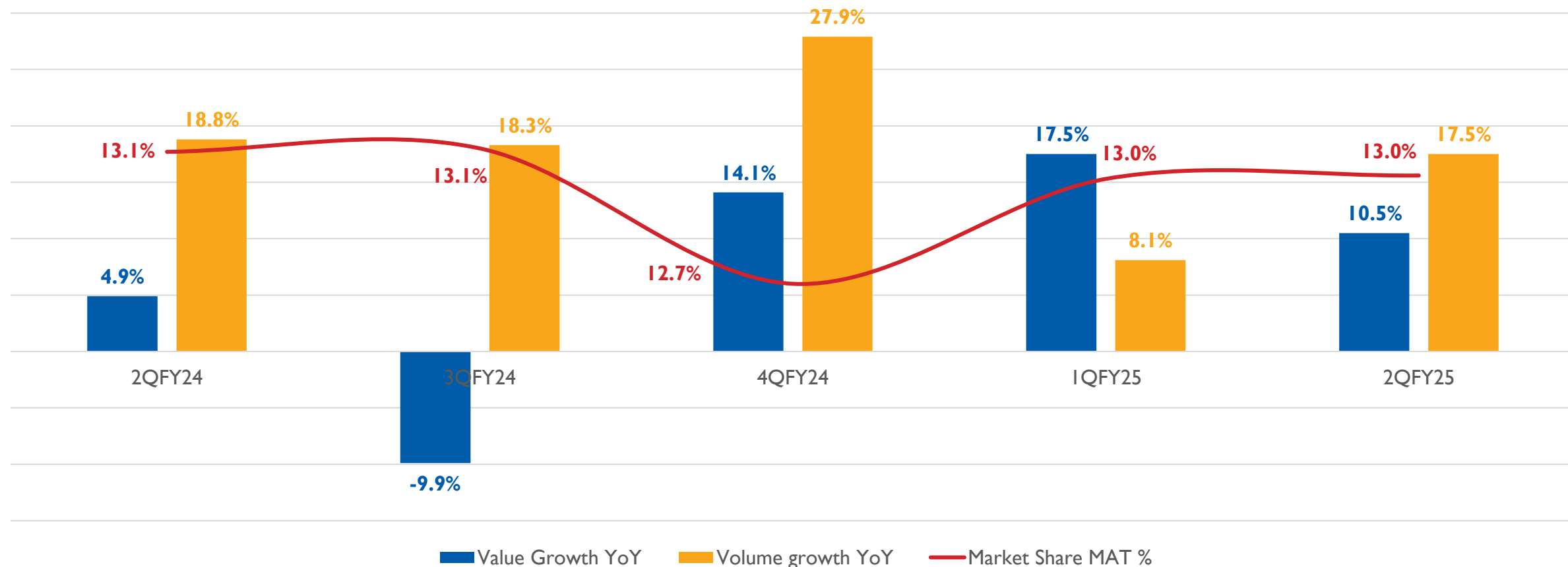
* Adjusted for the fair value loss in Biological Assets of LKR 253m

Q&A

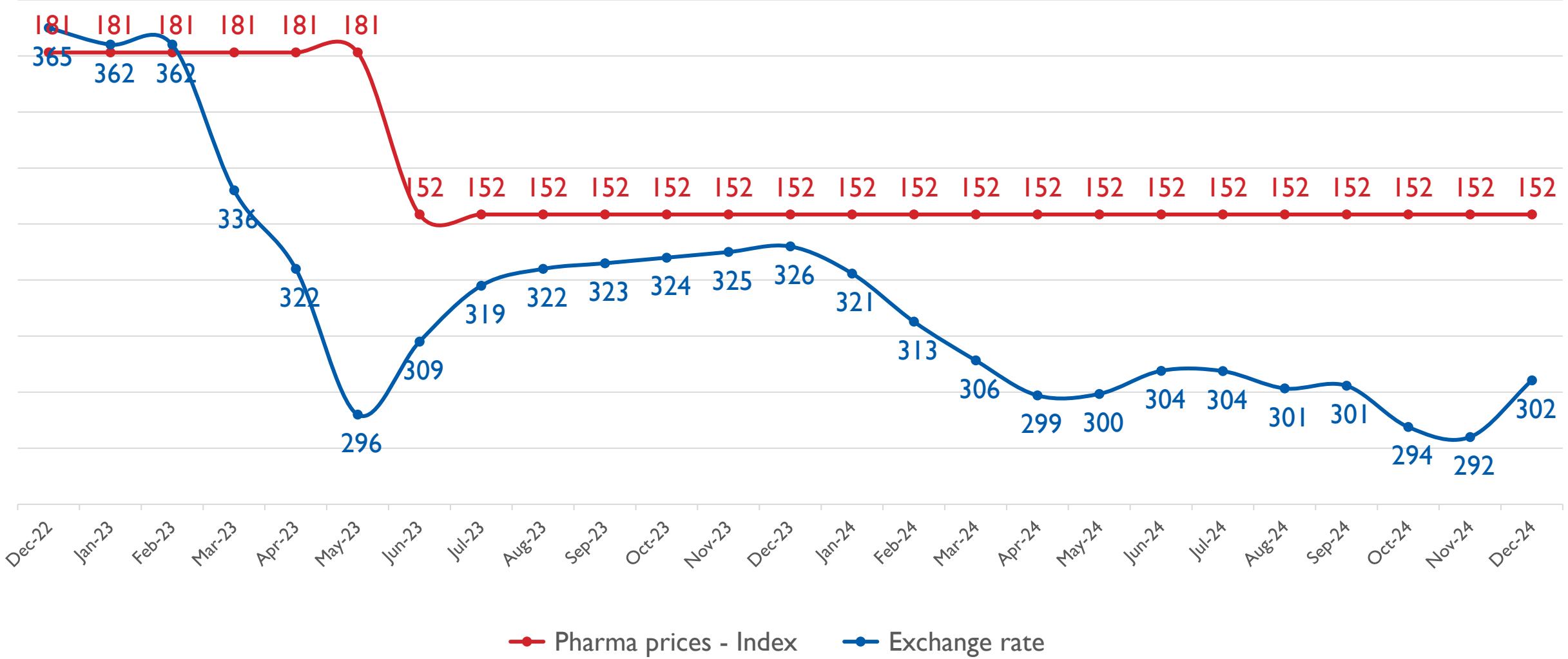
Appendix

Sunshine Pharmaceuticals – Market Dynamics

During 3Q IQVIA, the market experienced a growth of 1.2% (2024 MAT%)



Pharmaceuticals – Price Increase Index

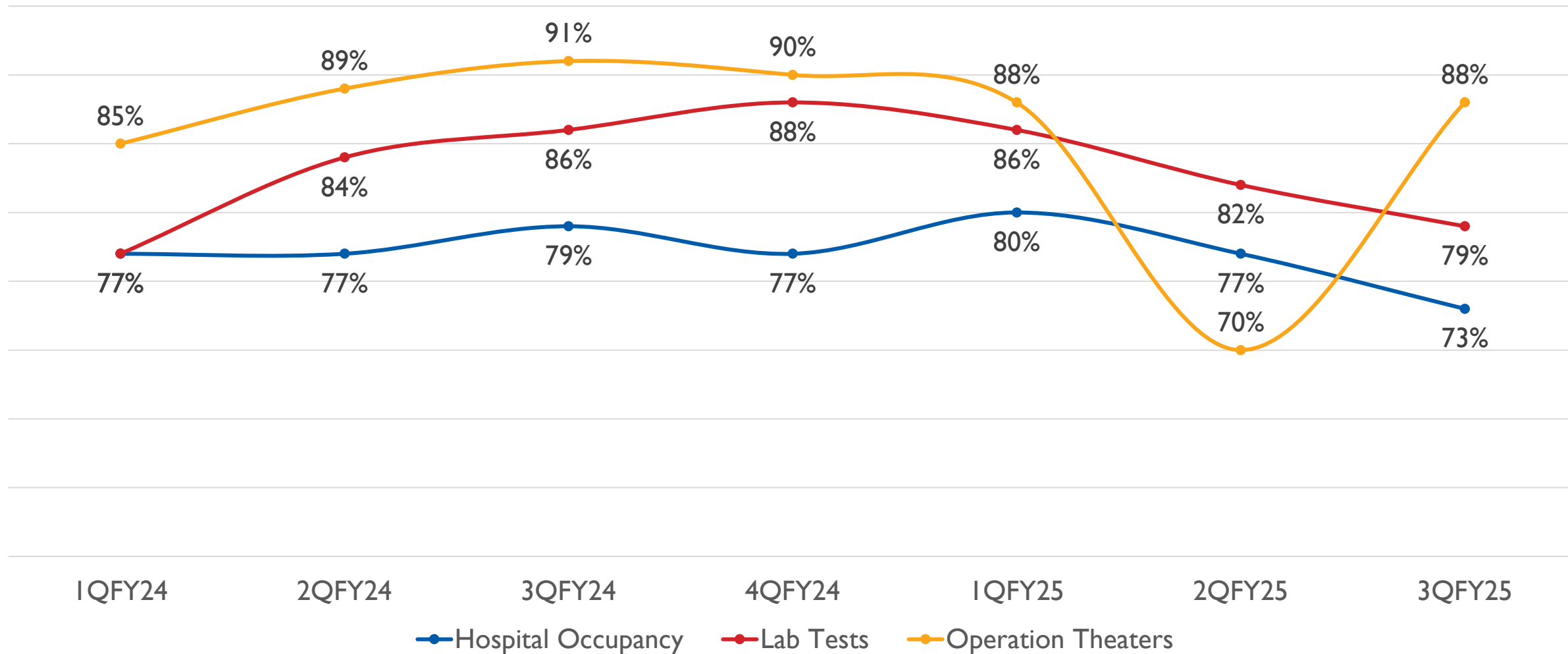


● Pharma prices - Index ● Exchange rate

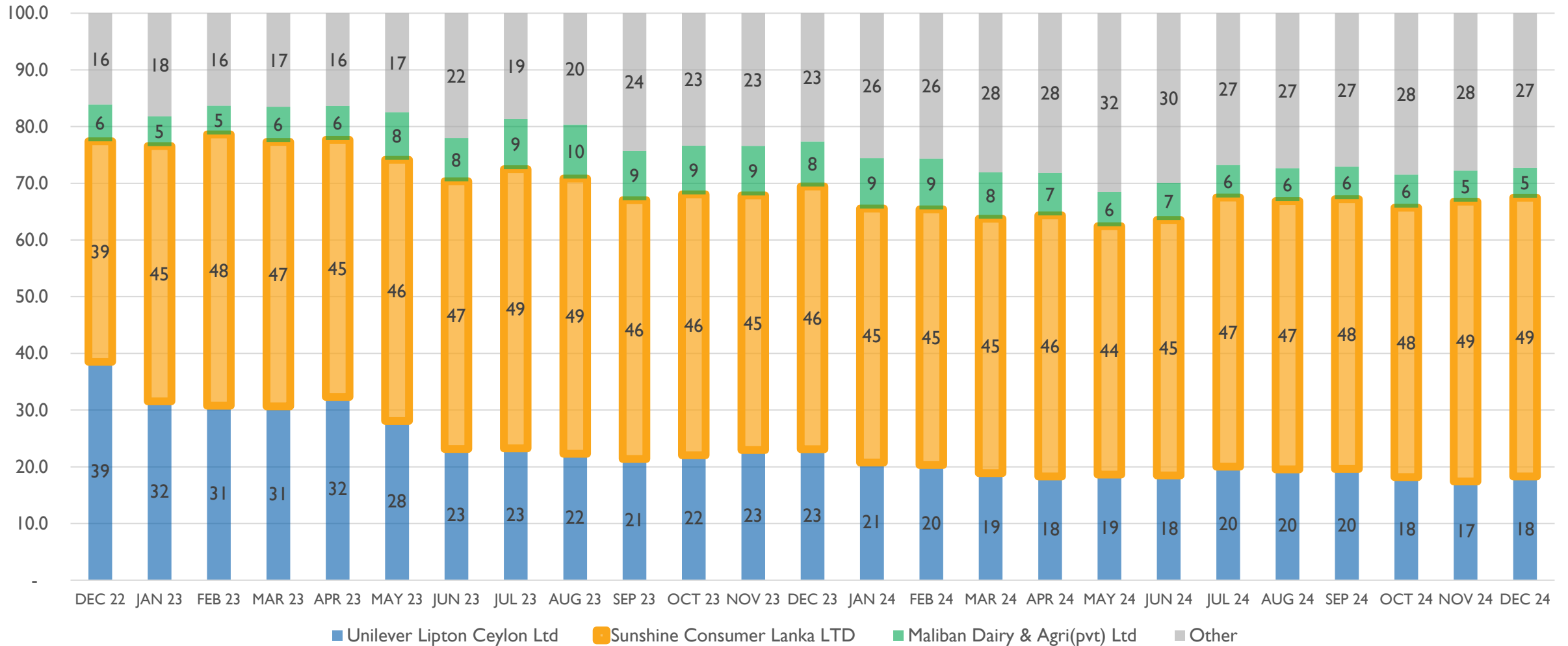
Dec 2021 considered as the base (i.e., 100)

Source – Management Information

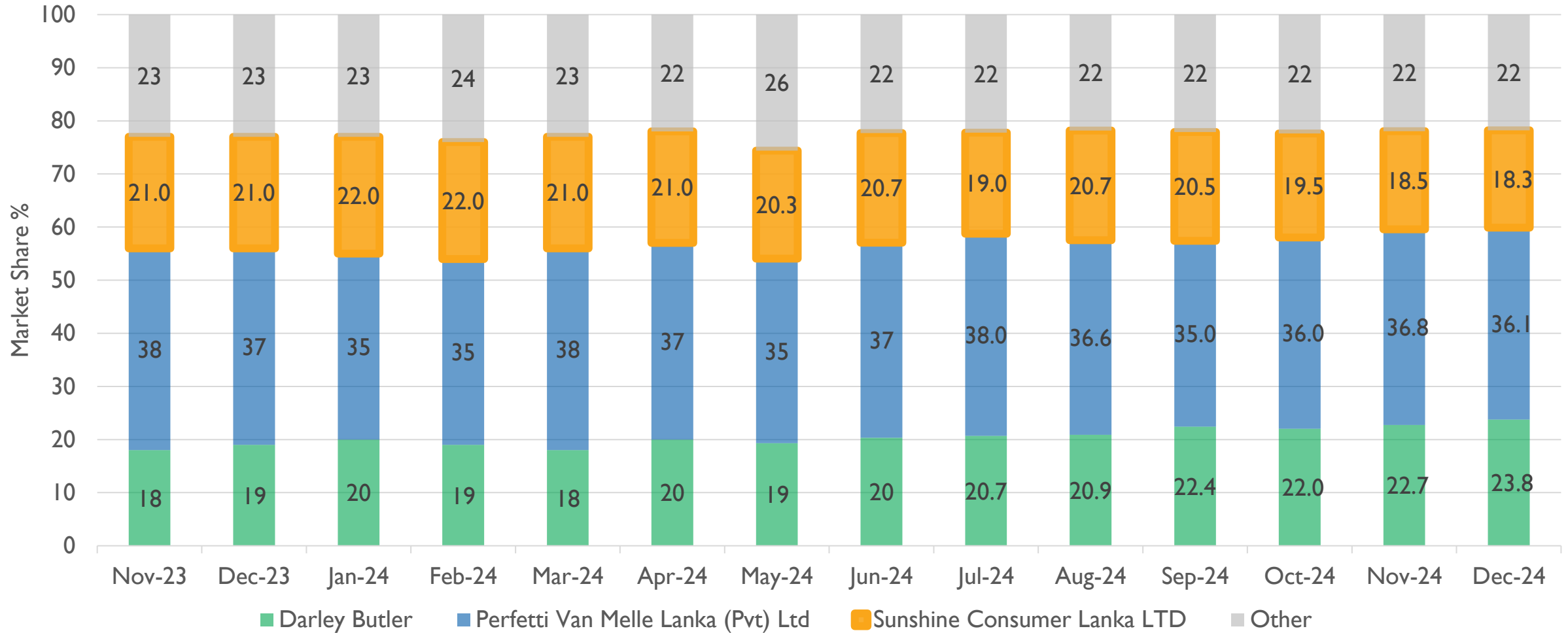
Sunshine Medical Devices – Market Dynamics



Brand Value Market Share (%) – Tea

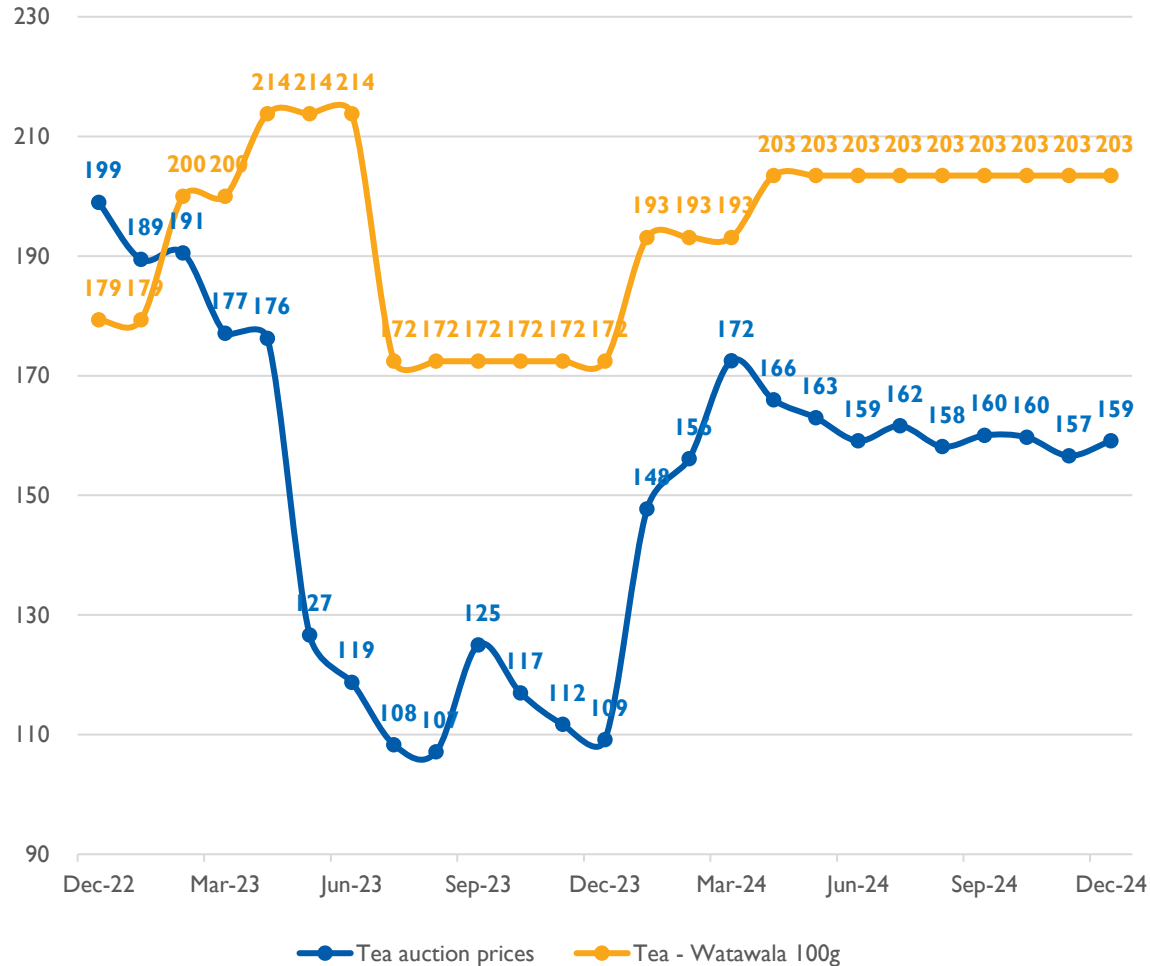


Brand Value Market Share (%) – Confectionary



Price Index – Tea and Confectionary

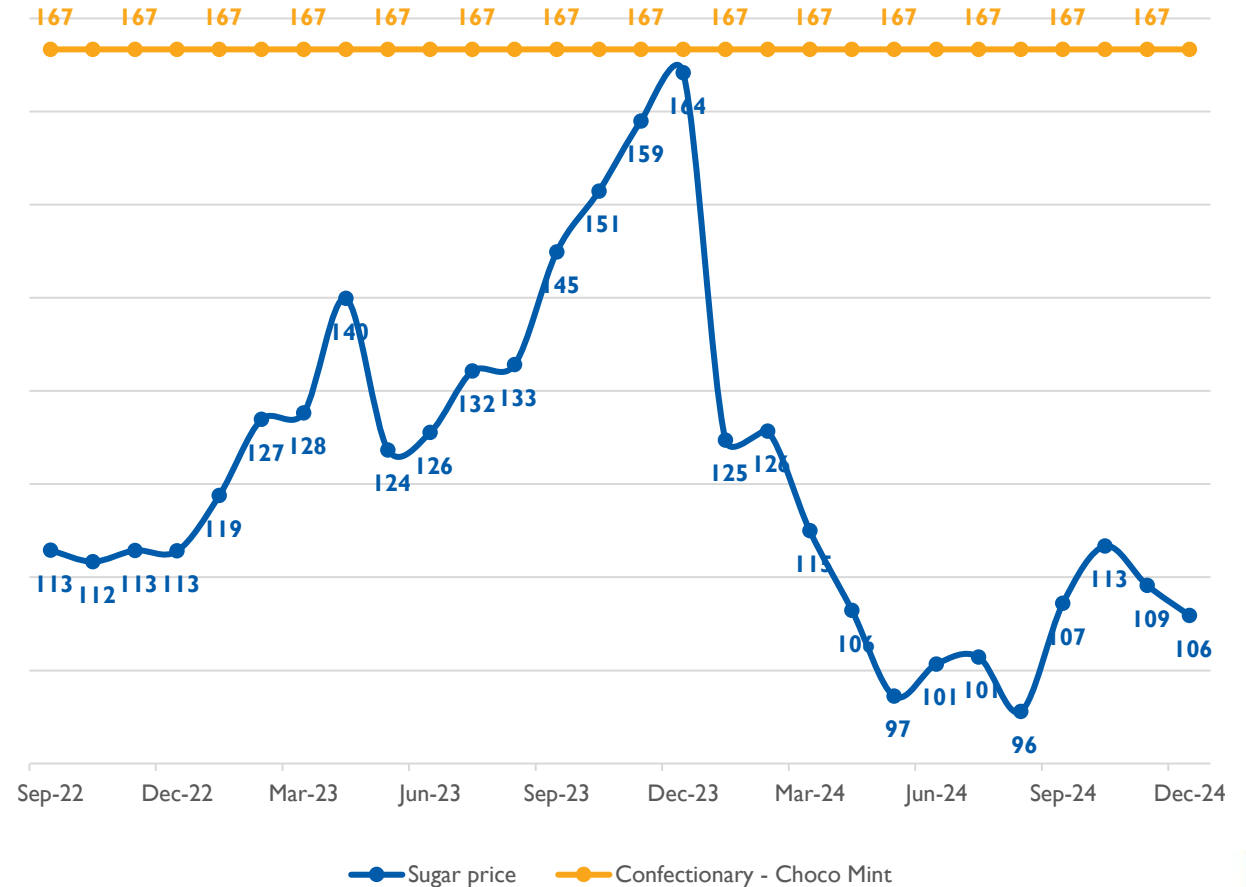
Tea Price Index



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

Source – Management Information

Confectionery Price Index



Source – Global price of Sugar, No. 11, World, Management Information **sunshine** holdings plc

Agribusiness – Price Movement

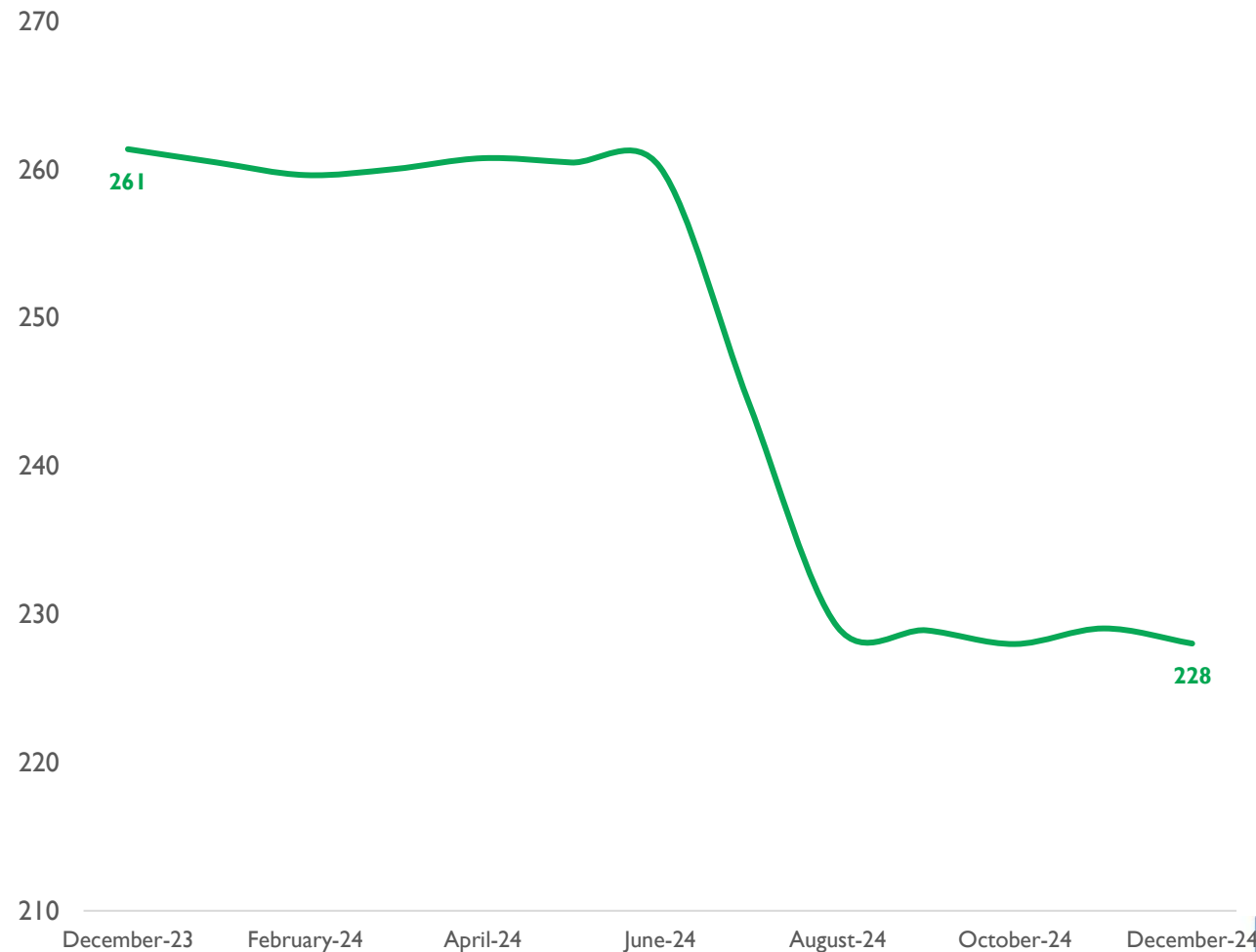


Settlement Price (RM)



Source - Malaysian contract price

WDL's Avg Milk Price (LKR)



Source – Management Information

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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