



**sunshine**

# Earnings Presentation 4QFY21

28<sup>th</sup> May 2021

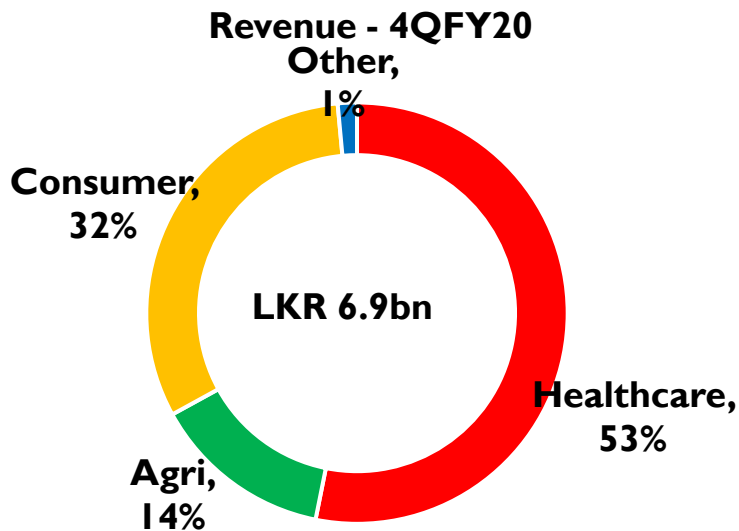
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# Group Performance

# Group at a Glance – 4QFY21

Including Akbar Pharmaceuticals (Pvt) Ltd from February 2021 and Daintee Limited results from September 2021

- **LKR 6.9bn** in Revenue; +37.1% YoY ;
- **LKR 650m** PAT; +387.9%YoY ;
- PATMI of **LKR 397m**;



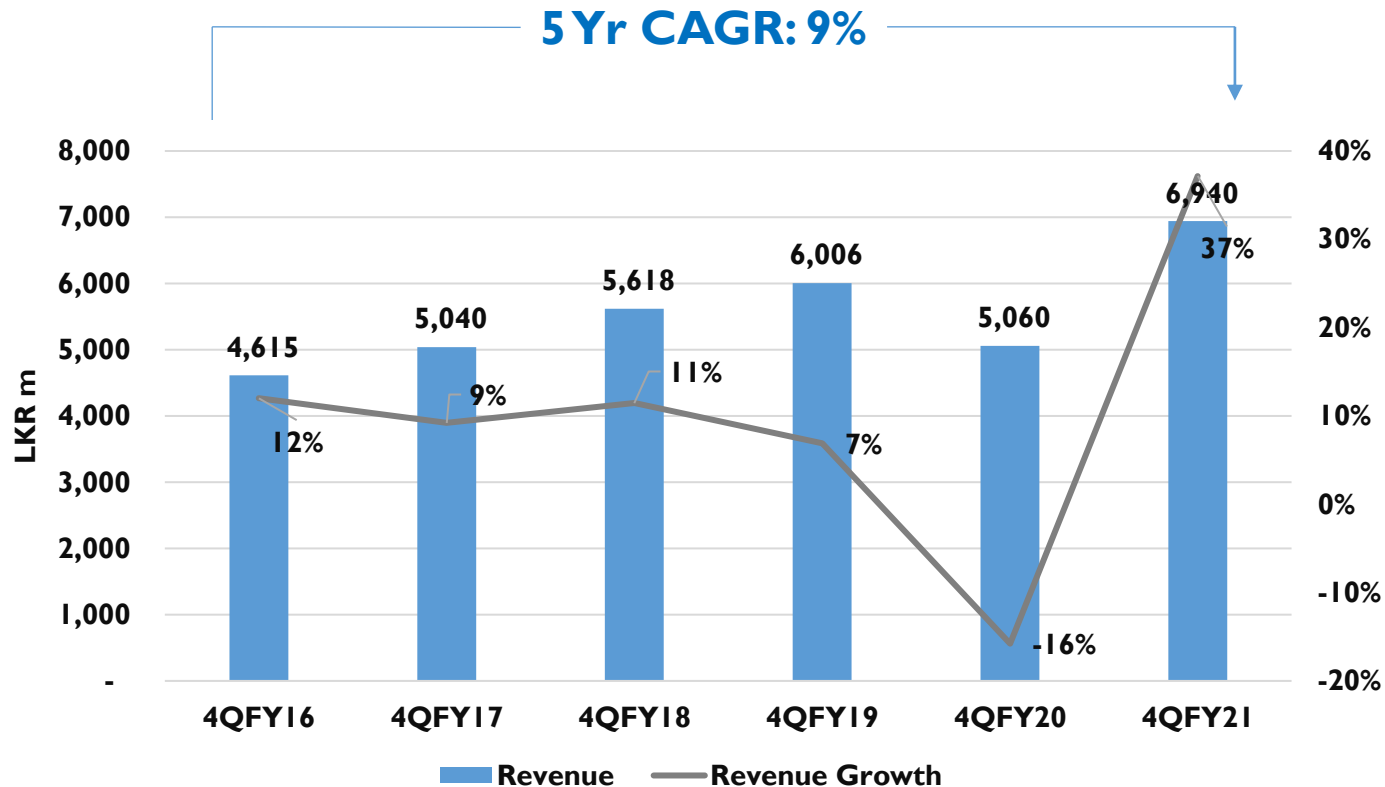
- Healthcare revenue; **LKR 3.7bn**; +24.0% YoY
- Agri revenue; **LKR 1.0bn**; +30.0% YoY
  - 2.3m kg of palm oil, -2.0% YoY
- Consumer revenue; **LKR 2.2bn**; +76.6%YoY
  - Daintee revenue; LKR 665m
  - 1,433 k kg of branded tea sold; +25.1%YoY

# Group Financial Highlights

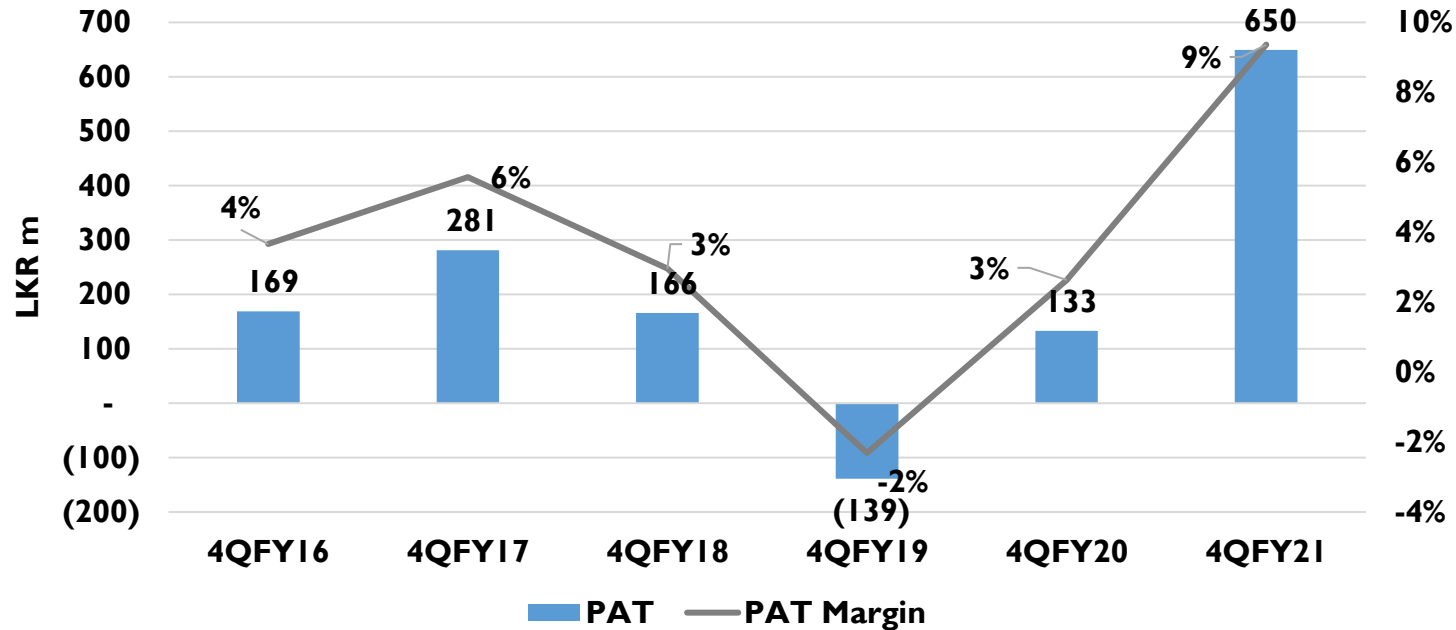
LKR m	FY21	FY20	Growth		4Q FY20	Growth %
			%	4Q FY21		
Revenue	24,339	20,875	16.6%	6,940	5,060	37.1%
EBIT	3,525	2,909	21.2%	619	353	75.6%
<i>EBIT margin</i>	<i>14.5%</i>	<i>13.9%</i>		<i>8.9%</i>	<i>7.0%</i>	
PAT	2,538	1,833	38.5%	650	133	387.9%
<i>PAT margin</i>	<i>10.4%</i>	<i>8.8%</i>		<i>9.4%</i>	<i>2.6%</i>	
PATMI	1,522	1,147	32.7%	431	127	240.3%
EPS (LKR)	3.39	2.56	32.7%	0.96	0.28	240.3%

# 4Q Revenue Growth Trend

- 5 Year CAGR of 9%



# 4Q Profitability



- Net profit of 650m compared to 133m 4Q last year due to:
  - Better performance in core sectors – Healthcare and Consumer
  - Expansion of Consumer sector with the acquisition of Daintee
  - Margin increase in Agribusiness segment due to NSA improvement in both palm oil and dairy subsectors

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# Segment Performance

# Healthcare



LKR m	FY21	FY20	Growth %	4Q FY21	4Q FY20	Growth %
Revenue	12,770	11,150	14.5%	3,689	2,973	24.0%
EBIT	1,197	859	39.4%	273	161	69.4%
<i>EBIT margin</i>	<i>9.4%</i>	<i>7.7%</i>		<i>7.4%</i>	<i>5.4%</i>	
PAT	824	510	61.6%	231	103	124.2%
<i>PAT margin</i>	<i>6.4%</i>	<i>4.6%</i>		<i>6.3%</i>	<i>3.5%</i>	

## Highlights

- 4QFY21 Revenue up by 24.0% YoY due to higher sales volume in all subsectors with pharma and MDD achieving highest ever quarter revenue
- Increased health and wellness consciousness of consumers
- Challenging 1<sup>st</sup> quarter due to Covid-19 lockdown – strong performance in 2HFY21



# Retail



13

Outlets in Colombo,  
and 1 online store

## Highlights

- 4QFY21 revenue had increased 2.8% YoY
- Improved digital platform
- Loyalty engagement improvement
- Improve pharma availability
- Adjusting to the new normal with change in shopper buying habits

# Consumer

LKR m	FY21	FY20	Growth %	4Q FY21	4Q FY20	Growth %
Revenue	7,125	5,448	30.8%	2,187	1,239	76.5%
EBIT	581	417	39.2%	161	(6)	n/m
<i>EBIT margin</i>	<i>8.2%</i>	<i>7.7%</i>		<i>7.4%</i>	<i>-0.4%</i>	
PAT	467	297	57.2%	164	3	4637.1%
<i>PAT margin</i>	<i>6.6%</i>	<i>5.5%</i>		<i>7.5%</i>	<i>0.3%</i>	

## Highlights

- Revenue increase 76.5% YoY due to revenue generated from the confectionary sub-sector, and volume growth of 14.5% in the tea subsector
- Daintee Contribution to PAT in 4QFY21 – LKR 47m

LKR m	FY21	FY20	Growth %	4Q FY21	4Q FY20	Growth %
Revenue	3,934	3,839	2.5%	962	739	30.1%
EBIT	1,818	1,115	63.0%	321	97	232.2%
<i>EBIT margin</i>	<i>46.2%</i>	<i>29.0%</i>		<i>33.4%</i>	<i>13.1%</i>	
PAT	1,663	755	120.2%	400	40	901.6%
<i>PAT margin</i>	<i>42.3%</i>	<i>19.7%</i>		<i>41.6%</i>	<i>5.4%</i>	

## Highlights

- Revenue increased by 30.1% YoY mainly due to increase in NSA and increase in milk prices
- Current herd in the Dairy Farm established at 1,558 animals, of which 788 are milking
- Dairy farm reported a PAT of LKR 73.5 Mn

# Energy

LKR m	FY21	FY20	Growth		Growth	
			%	4Q FY21	4Q FY20	%
Revenue	440	313	40.8%	92	58	59.0%
EBIT	34	93	-63.4%	(125)	8	n/m
<i>EBIT margin</i>	<i>7.7%</i>	<i>29.7%</i>		<i>-135.6%</i>	<i>14.0%</i>	
PAT	(35)	(8)	319.9%	(142)	(38)	n/m
<i>PAT margin</i>	<i>-7.9%</i>	<i>-2.6%</i>		<i>-154.4%</i>	<i>-65.1%</i>	

## Highlights

- Revenue increased 59% due to favourable weather conditions during the quarter in the Hydro segment
- EBIT loss is due to an impairment on disposed assets of LKR 143m arising due to the divestment of Hydro business

# Additional data for analysts

LKR m	1Q FY19	2Q FY19	3Q FY19	4Q FY19	1Q FY20	2Q FY20	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21
Revenue	5,575	5,294	5,768	6,006	5,210	5,327	5,280	5,010	4,786	6,164	6,449	6,940
PAT	341	443	501	-139	573	660	467	133	553	733	602	650
PATMI	190	234	274	-144	333	398	286	96	320	389	388	431

Volumes	1Q FY19	2Q FY19	3Q FY19	4Q FY19	1Q FY20	2Q FY20	3Q FY20	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21
Branded Tea (kg '000)	1,026	1,085	1,222	1,147	1,043	1,175	1,242	1,134	1,042	1,351	1,490	1,433
Palm Oil (kg 'mn)	2.5	3.7	2.7	2.9	3.3	3.8	2.8	2.3	3.3	3.2	2.2	2.3



# Outlook

# Outlook for 4Q FY21

## Healthcare

- Rupee depreciation to impact margins
- Low sales in Antibiotics and Respiratory products
- Integration and further development of the pharma manufacturing
- Further development of online platforms

## Agri

- Higher palm oil NSA
- Volume growth is expected to be stagnant due to government restrictions
- Expand the herd to reach 1000 milking cows
- Strengthen the upstream value chain

## FMCG

- Drive distribution synergies in retail channels
- Focus on brands to scale domestic business

## Energy

- Expanding Solar power sub-sector

# 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.

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