



sunshine

1 QFY25 Earnings Webinar

Sunshine Holdings PLC

05 August 2024

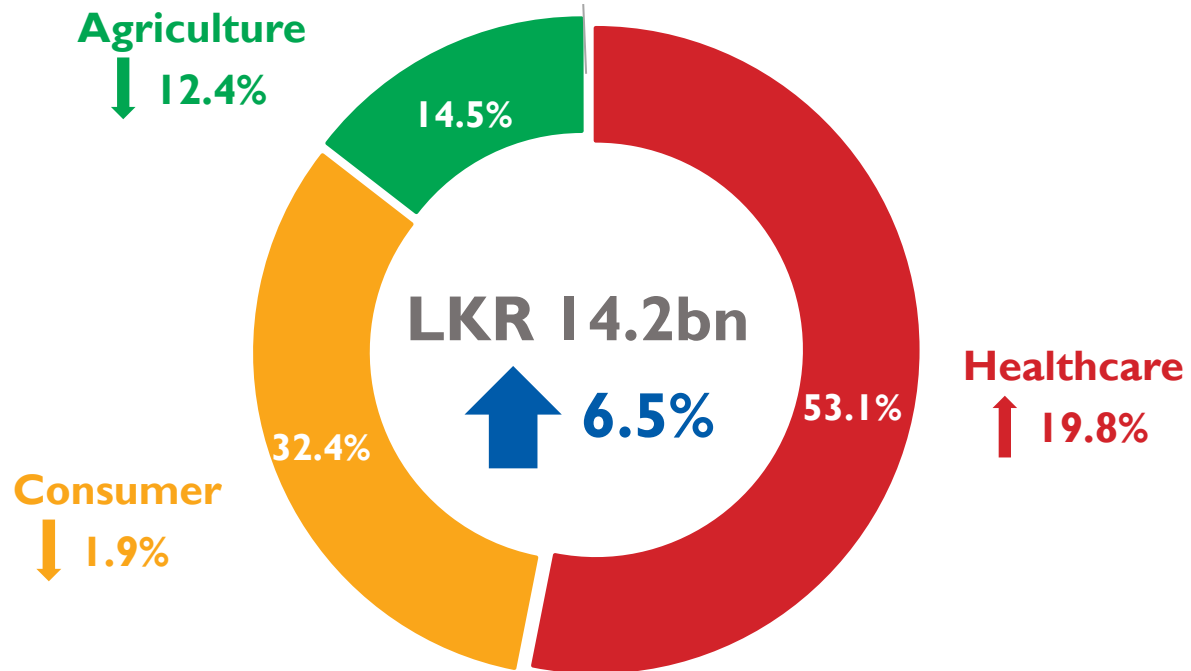
- The webinar will be recorded and later uploaded to our IR website as well as CSE website for future reference (<https://www.sunshineholdings.lk/investor/financial-reports>)
- All participants will be muted during the presentation
- Participants can use the 'Raise Hand' option to ask questions during the Q&A session, and we will unmute them accordingly
- Participants can also raise their questions via the chat box
- Please be advised that the presentation format has been revised to provide enhanced focus on each sub-business segment within the three main sectors, along with an appendix section that will contain details of market dynamics

- 01st July – Fitch Ratings affirmed Sunshine Holdings at ‘AA+(lka)’ Outlook Stable
- 02nd August - Board of Directors of Sunshine Holdings PLC resolved to amalgamate with its fully owned subsidiary, Sunshine Packaging Lanka Limited. As a result, Sunshine Holdings PLC will amalgamate all assets and liabilities of Sunshine Packaging Lanka Limited and the amalgamated company will be Sunshine Holdings PLC

Group Performance

Group at a Glance – IQFY25

Revenue Composition – IQFY25



LKR 2.1bn
+2.9% YoY
EBIT

LKR 1.4bn
-3.7% YoY
Earnings

LKR 1.90
+2.3% YoY
EPS

27.4%
+5.3 pts YoY
Gearing

28.2%
+10.5 pts YoY
ROE

LKR 37.82
+15.9% YoY
NBV

LKR 31.5bn
+42.2% YoY
Mkt Cap

8.4x
+39.0% YoY
PER

4.7%
2.6% - FY23
Div Yield

Group – Performance Highlights

LKR mn	IQFY25	IQFY24	YoY %	4QFY24	QoQ %
Revenue	14,239	13,370	6.5%	13,148	8.3%
EBIT	2,073	2,015	2.9%	1,268	63.5%
<i>EBIT margin</i>	<i>14.6%</i>	<i>15.1%</i>		<i>9.6%</i>	
PAT	1,376	1,428	-3.7%	570	141.4%
<i>PAT margin</i>	<i>9.7%</i>	<i>10.7%</i>		<i>4.3%</i>	
PATMI	936	914	2.3%	508	84.2%
EPS (LKR)	1.90	1.86	2.3%	1.03	84.2%

- During IQFY25, GP margin recorded at 29.0%, , reflecting a value improvement of 7.0% YoY, driven by favorable topline and margin expansion in both the pharmaceutical agency and pharmaceutical manufacturing businesses
- The IQFY25 EBIT improved by 290 bps due to increase in revenue
- 102 bps decrease in PAT margin is stemming from challenges faced in the local Consumer and Agri sectors

Movement in Revenue & EBIT

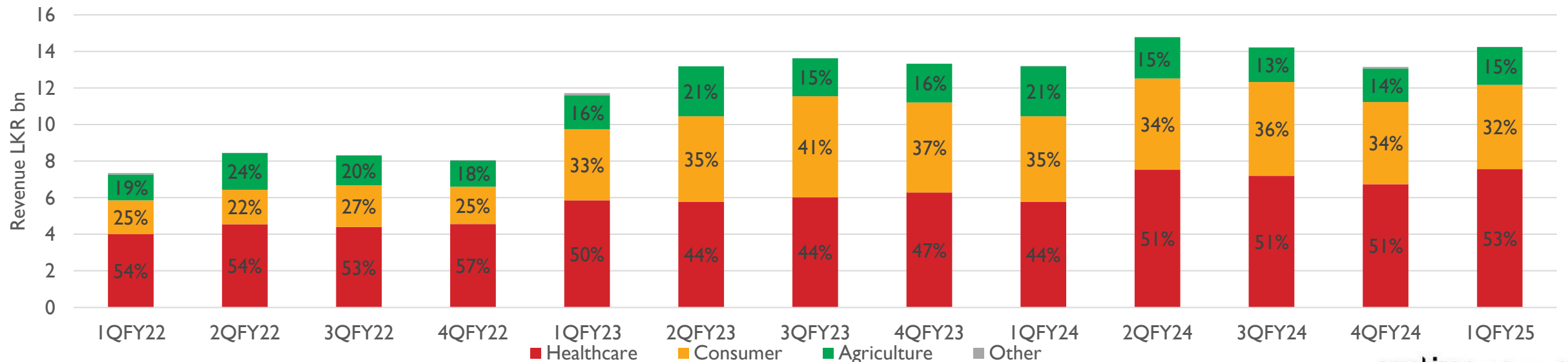
Revenue Movement [LKR Million]



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



IQFY25

7.6 bn
Revenue

15.1 %
EBIT Margin

9.4 %
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



Importation and Agency

Sri Lanka's third largest (12.7% market share) importer in the Pharma and Medical Devices segment with access to 75+ principals



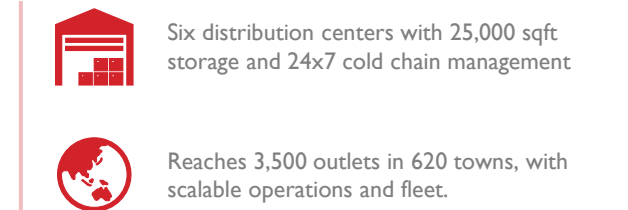
Retail (Pharmacy)

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

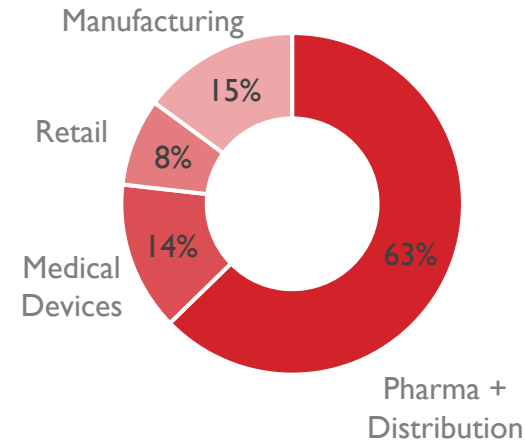


Distribution

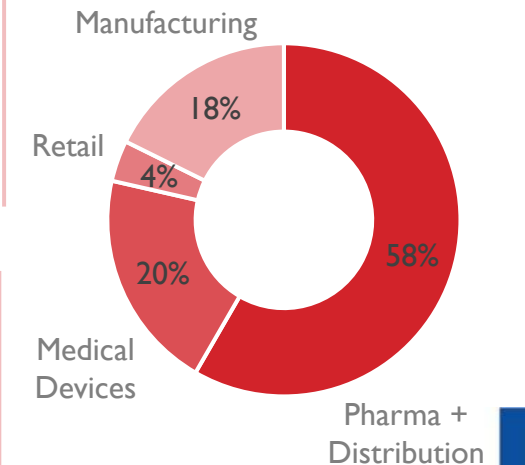
Fully-fledged distribution division to assist local pharmaceutical importers and manufacturers in expanding their reach among retail pharmacy outlets across Sri Lanka



Revenue Split IQFY25



Total Asset Split IQFY25



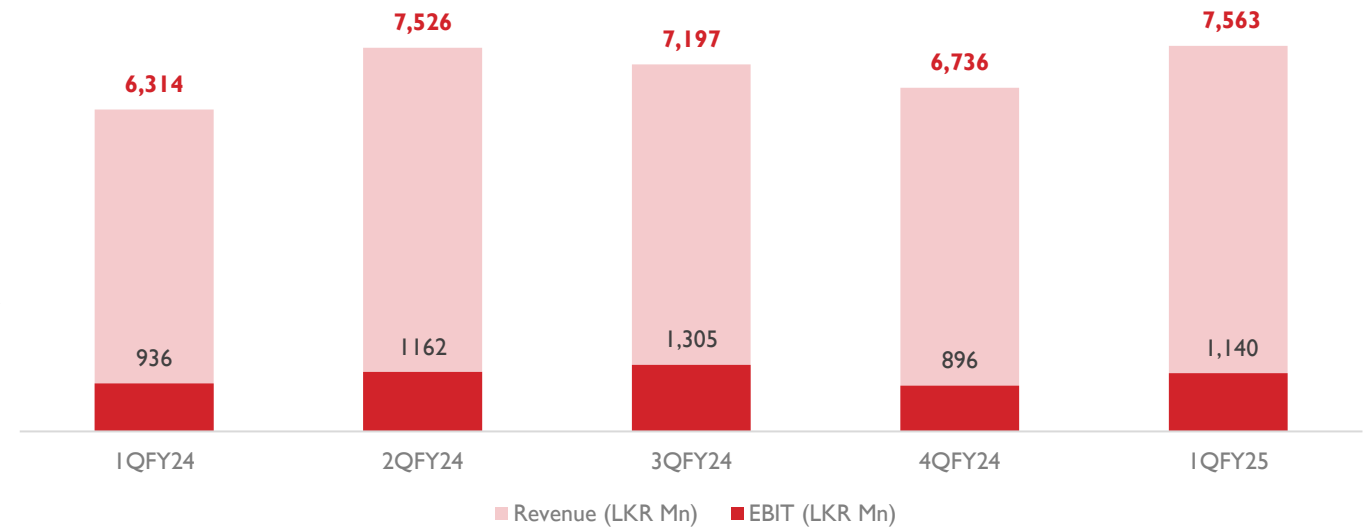
Footnote : I- Included under Importation and Agency

Healthcare Sector – Highlights

Sector Highlights

Healthcare sector revenue for 1QFY25 increased by **19.8%** YoY, driven by topline growth in both the pharmaceutical agency and manufacturing segments

This growth contributed to an improved EBIT margin of 15.1% for 1QFY25, up by **30 bps**, reflecting the overall positive performance across these key areas



Investor Metrics

	1QFY24		2QFY24		3QFY24		4QFY24		1QFY25	
Revenue Growth % (YoY) (QoQ)	8.2%	0.5%	30.3%	19.2%	19.4%	-4.4%	7.2%	-6.4%	19.8%	12.3%
EBIT Margin (%)	14.8%		15.4%		18.1%		13.3%		15.1%	
PAT	493		852		835		349		712	
PAT Margin (%)	7.8%		11.3%		11.6%		5.2%		9.4%	
ROIC (%)	35.6%		29.9%		32.9%		24.3%		21.6%	

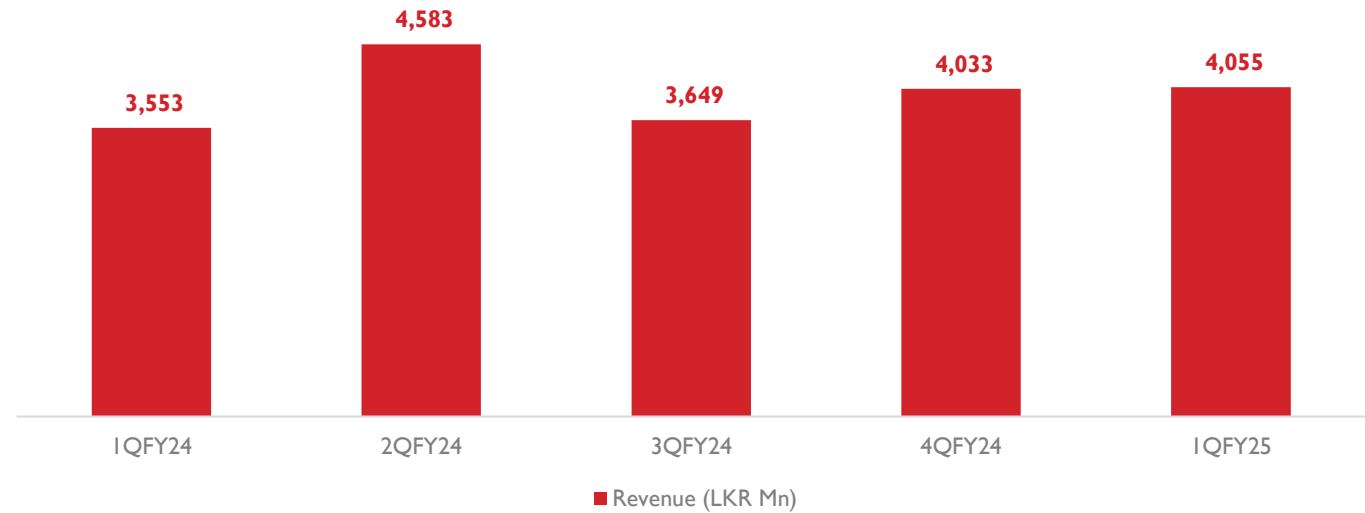
LKR Million unless stated otherwise

Pharmaceutical Agency – Performance Highlights

Business Highlights

The pharmaceutical segment’s revenue grew by **14.1%** YoY, driven by a significant volume growth of **27.9%** YoY during the period

During IQ 2024, while the market experienced a growth of **4.1%**, the company’s performance remained stable



Investor Metrics

	IQFY24		2QFY24		3QFY24		4QFY24		IQFY25	
Revenue Growth % (YoY) (QoQ)	-17.2%	-20.7%	30.3%	29.0%	4.9%	-20.4%	-9.9%	10.5%	14.1%	0.5%
Volume Growth (%)	-12.3%		29.0%		20.6%		18.3%		27.9%	
Market Share (%)	13.1%		13.1%		13.1%		13.1%		12.7%	

LKR Million unless stated otherwise

Market Dynamics Hyperlink

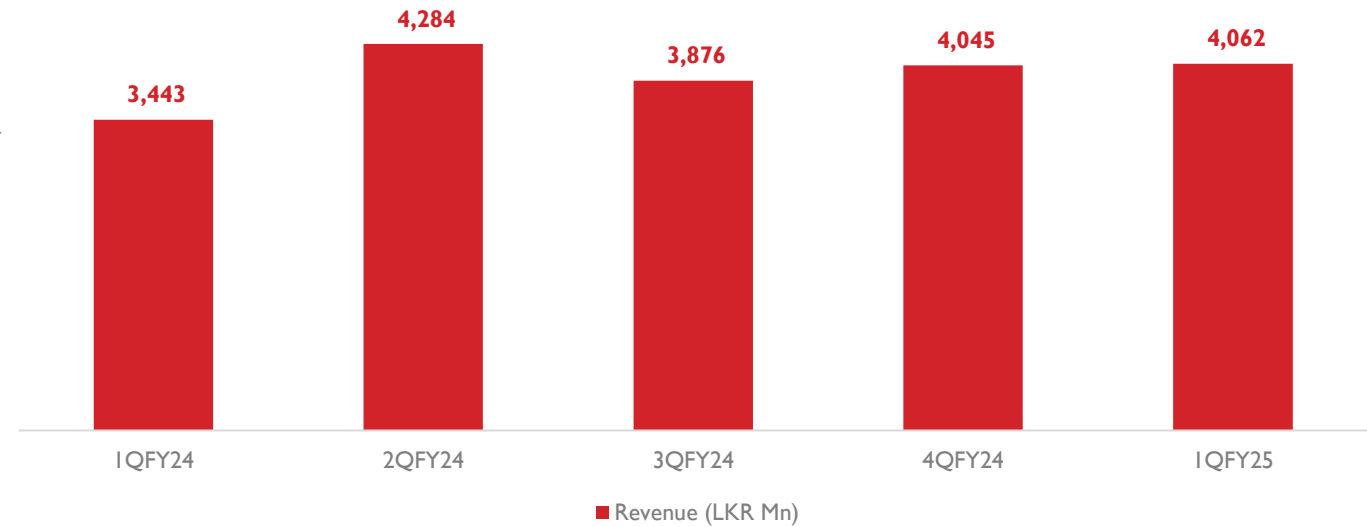


Pharmaceutical Distribution – Performance Highlights

Business Highlights

The distribution segment's revenue grew by **18.0%** YoY, driven by a significant volume growth of **28.5%** YoY during the quarter

All six distribution centers were fully functional during Q1FY25



Investor Metrics

	IQFY24		2QFY24		3QFY24		4QFY24		IQFY25	
Revenue Growth % (YoY) (QoQ)	2.9%	-7.8%	31.1%	24.4%	15.2%	-9.5%	8.4%	4.4%	18.0%	0.4%

LKR Million unless stated otherwise,

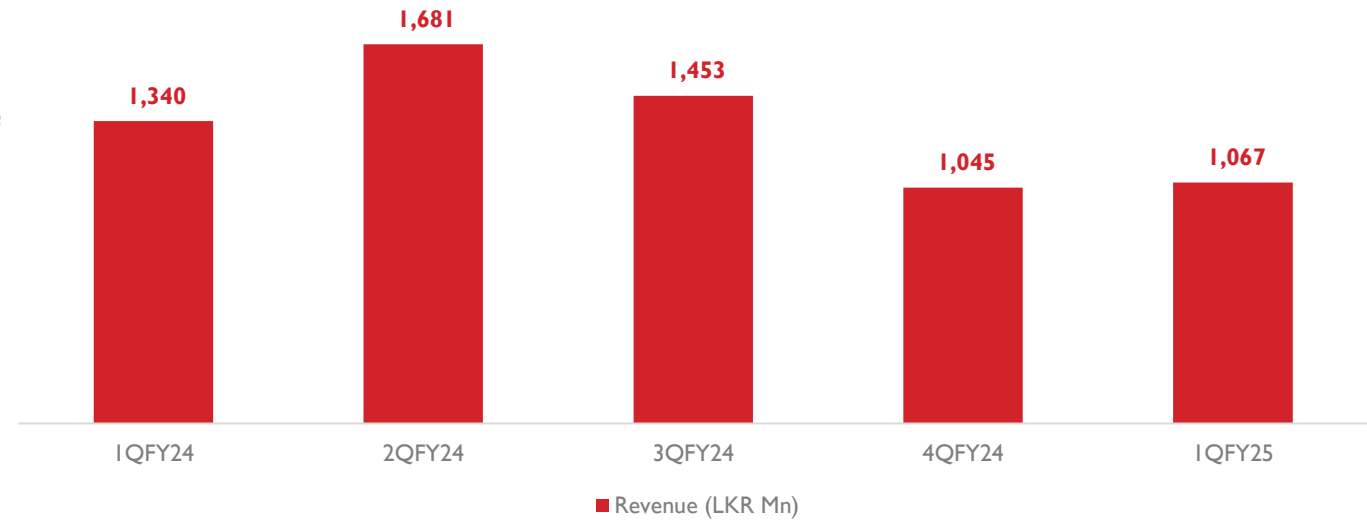
* Approximately 86% of the revenue is generated from internal customers, which are classified as intercompany sales

Medical Devices – Performance Highlights

Business Highlights

The medical devices segment saw a contraction of **20.4%** YoY due to the lack of one-off tender sales in IQFY25

Excluding tender sales, the segment’s revenue grew **6.4%** YoY

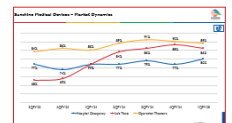


Investor Metrics

	IQFY24		2QFY24		3QFY24		4QFY24		IQFY25	
Revenue Growth % (YoY) (QoQ)	40.5%	18.7%	60.5%	25.4%	23.5%	-13.6%	-7.4%	-28.0%	-20.4%	2.1%

LKR Million unless stated otherwise

Market Dynamics Hyperlink

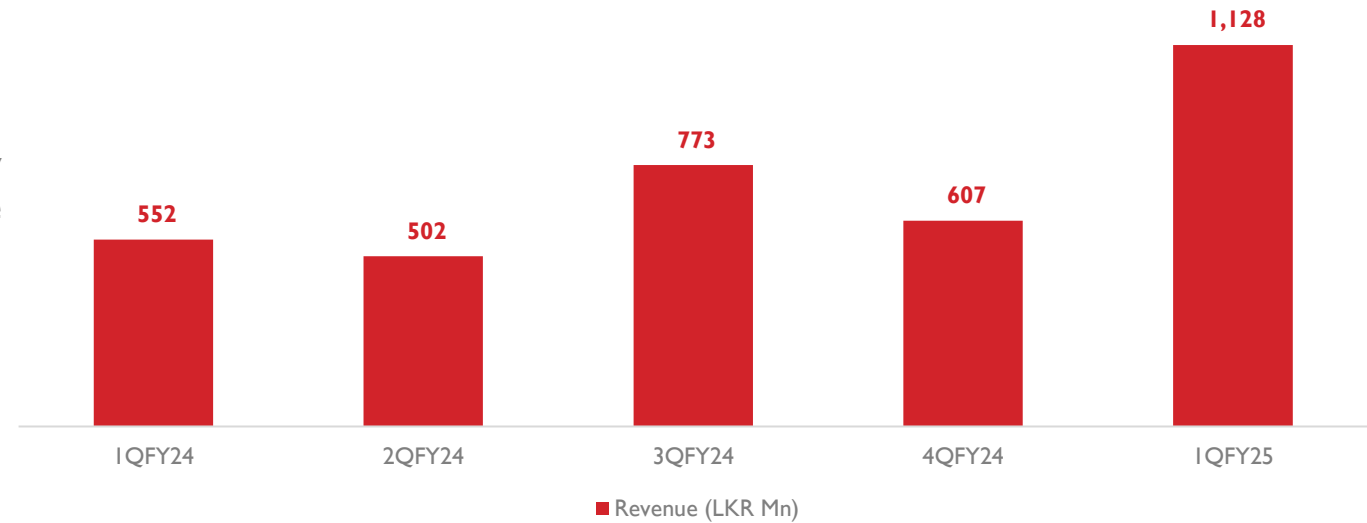


Pharmaceutical Manufacturing – Performance Highlights

Business Highlights

During the IQFY25, pharmaceutical manufacturing business, achieved a remarkable revenue growth of **104.4%** YoY, driven by increased capacity utilization (90% in IQFY25) at the Metered Dose Inhaler (MDI) plant

To date, Lina has already supplied more than half of the MDI requirements for the Medical Supplies Division of the Government



Investor Metrics

	IQFY24		2QFY24		3QFY24		4QFY24		IQFY25	
Revenue Growth % (YoY) (QoQ)	362.1%	36.9%	120.4%	-8.9%	181.2%	53.8%	50.7%	-21.4%	104.4%	85.7%
MDI Capacity Utilization (%)	36%		29%		61%		83%		90%	

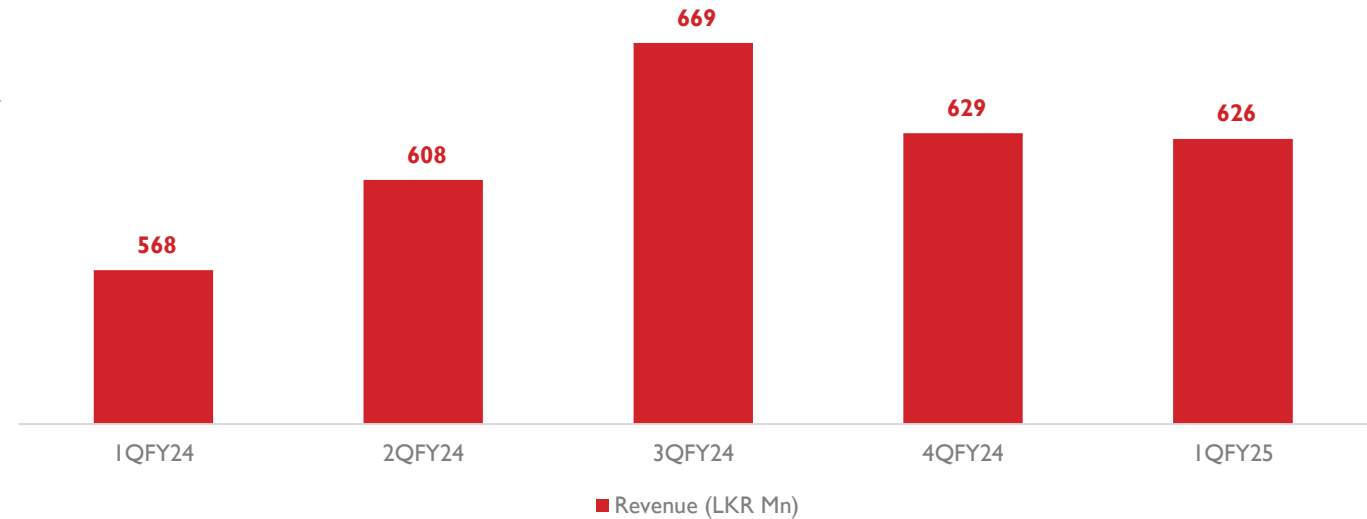
LKR Million unless stated otherwise

Retail (Pharmacy) – Performance Highlights

Business Highlights

The retail segment, Healthguard Pharmacy, witnessed a **10.2%** 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

	1QFY24		2QFY24		3QFY24		4QFY24		1QFY25	
Revenue Growth % (YoY) (QoQ)	10.6%	5.3%	25.1%	7.0%	25.1%	10.0%	16.5%	-6.0%	10.2%	-0.4%
Same store sales (SSS) growth (%)	12.1%		24.1%		17.2%		8.9%		4.1%	
Bill count growth (SS) (%)	7.9%		20.5%		13.6%		5.0%		-0.7%	
Average Basket Value growth (SS) (%)	3.9%		3.7%		2.4%		6.8%		4.9%	
Availability (Top 1,750 SKUs) (%)	83%		84%		84%		86%		84%	

LKR Million unless stated otherwise

Consumer Brands

Sunshine Consumer, Market leader in branded tea and sugar confectionery



sunshine
consumer

IQFY25

4.6 bn
Revenue

3.7 %
EBIT Margin

2.0 %
PAT Margin

Tea

Largest branded tea company in Sri Lanka – 45% market share

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

Sugar Confectionery

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

2 manufacturing sites

Exports

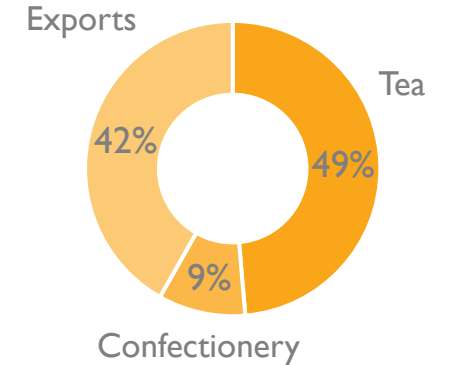
Exports value-added-tea products, including procuring, blending, packaging, and contract manufacturing of tea for private labels

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

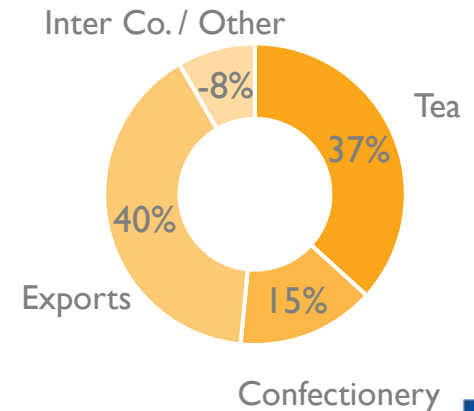
Brand Portfolio



Revenue Split IQFY25



Total Asset Split IQFY25

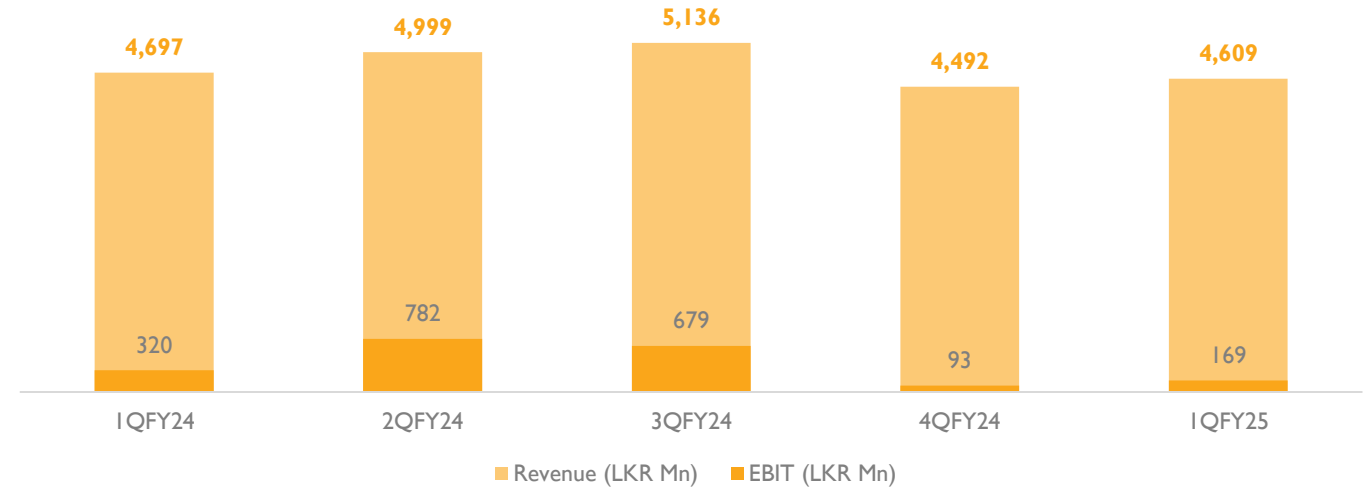


Consumer Sector – Highlights

Sector Highlights

The Consumer Brands sector, encompassing both export and domestic businesses, reported a marginal revenue decrease of **1.9%** YoY. However, revenue increased **2.6%** compared to the previous quarter, reflecting improvements following the January 2024 VAT changes.

Given the favorable tea cost last year and the company's partial absorption of VAT, EBIT margins witnessed a significant reduction to **3.7%** compared to **6.8%** in the same period last year.



Investor Metrics

	1QFY24		2QFY24		3QFY24		4QFY24		1QFY25	
Revenue Growth % (YoY) (QoQ)	20.9%	-4.5%	6.8%	6.4%	-7.0%	2.7%	-8.7%	-12.5%	-1.9%	2.6%
EBIT Margin (%)	6.8%		15.6%		13.2%		2.1%		3.7%	
PAT	181		472		401		90		91	
PAT Margin (%)	3.8%		9.4%		7.8%		2.0%		2.0%	
ROIC (%)	12.7%		16.8%		24.4%		22.0%		18.1%	

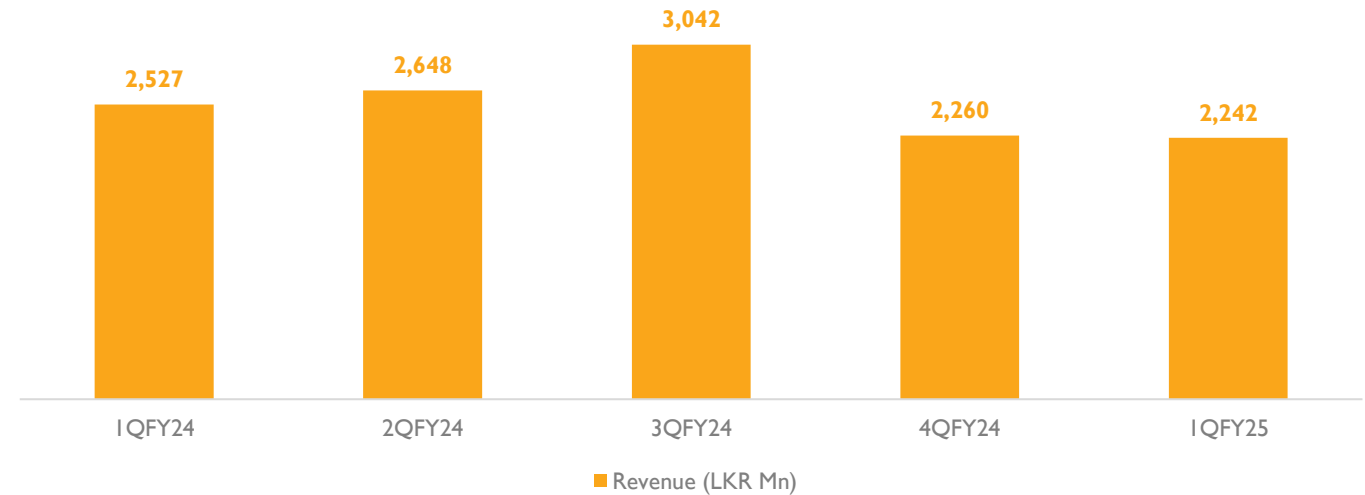
LKR Million unless stated otherwise

Tea – Performance Highlights

Business Highlights

Revenue from the Branded Tea businesses declined **11.3%** YoY to LKR 2,242 mn in IQFY25

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



Investor Metrics

	IQFY24		2QFY24		3QFY24		4QFY24		IQFY25	
Revenue Growth % (YoY) (QoQ)	89.0%	3.6%	74.3%	4.8%	31.3%	14.9%	-7.4%	-25.7%	-11.3%	-0.8%
Volume (kgs '000)	1,053		1,157		1,361		1,201		1,150	
Volume Growth % (YoY) (QoQ)	4.4%	-3.8%	18.8%	9.9%	8.0%	17.6%	9.7%	-11.8%	9.2%	-4.2%
Market Share (%) – Quarter Average	46.2%		47.8%		45.8%		44.9%		45.0%	

LKR Million unless stated otherwise

Market Dynamics Hyperlink

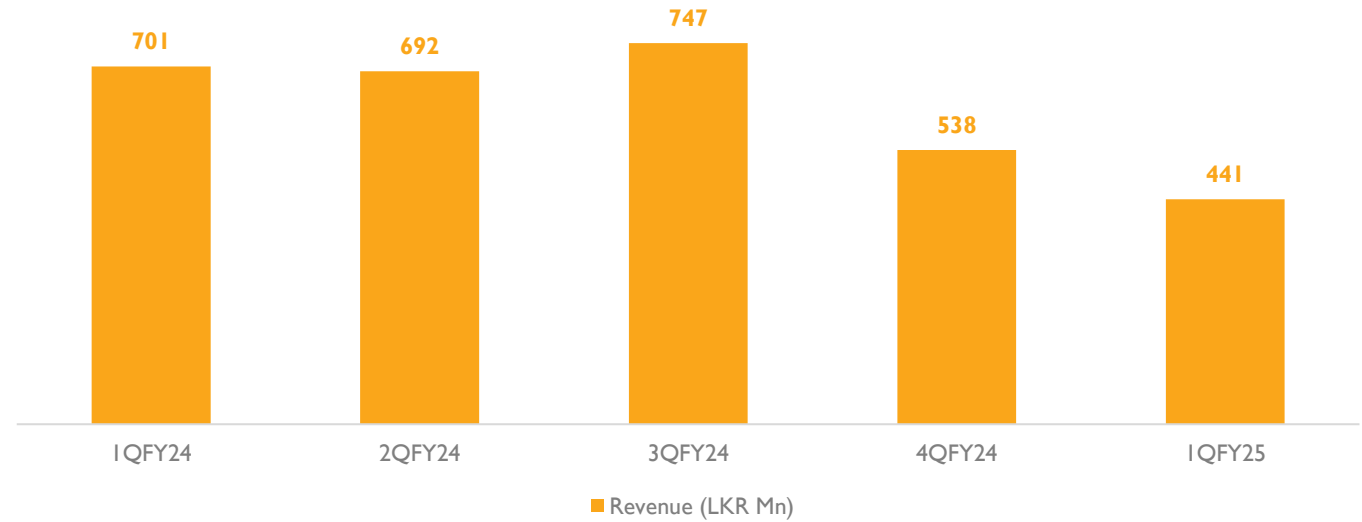


Confectionery – Performance Highlights

Business Highlights

Revenue from the Confectionery businesses declined by **37.1%** YoY, due to a drop in sales volume during the period.

Confectionery segment volume was contracted by **36.0%** YoY as this impulse category was affected by poor consumer sentiment post VAT increases



Investor Metrics

	1QFY24		2QFY24		3QFY24		4QFY24		1QFY25	
Revenue Growth % (YoY) (QoQ)	5.7%	-5.4%	-32.8%	-1.3%	-26.1%	8.0%	-27.5%	-28.1%	-37.1%	-17.9%
Volume (kgs '000)	600		603		657		507		384	
Volume Growth % (YoY) (QoQ)	-16.8%	-6.1%	-34.6%	0.5%	-27.4%	9.0%	-20.7%	-22.8%	-36.0%	-24.3%
Market Share (%) – Quarter Average	25.0%		23.0%		21.3%		21.7%		20.7%	

LKR Million unless stated otherwise

Market Dynamics Hyperlink

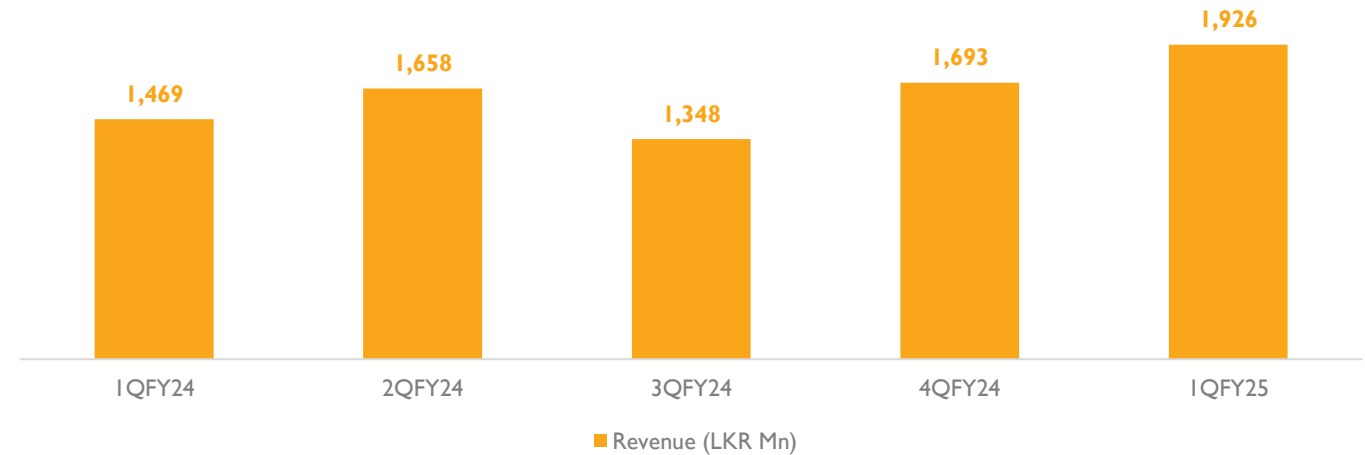


Exports – Performance Highlights

Business Highlights

The export business recorded a revenue growth of **31.1%** YoY to reach LKR 1,926mn

The recovery of export volumes, driven by heightened demand from key clients and a reduction in tea prices, are key contributors to the increase in revenue & profitability for the export business



Investor Metrics

	1QFY24		2QFY24		3QFY24		4QFY24		1QFY25	
Revenue Growth % (YoY) (QoQ)	-22.1%	-15.9%	-22.2%	12.9%	-38.6%	-18.7%	-3.0%	25.7%	31.1%	13.8%
Volume (kgs '000)	729		791		599		800		904	
Volume Growth % (YoY) (QoQ)	-26.1%	-5.0%	-18.6%	8.5%	-36.3%	-24.3%	4.3%	33.6%	24.0%	13.0%

LKR Million unless stated otherwise

Agribusiness

Watawala Plantations, primarily engages in the cultivation, manufacturing and sale of palm oil and dairy farming



Watawala Plantations PLC
Watawala Dairy Ltd

IQFY25

2.1 bn
Revenue

38.8 %
EBIT Margin

28.2 %
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

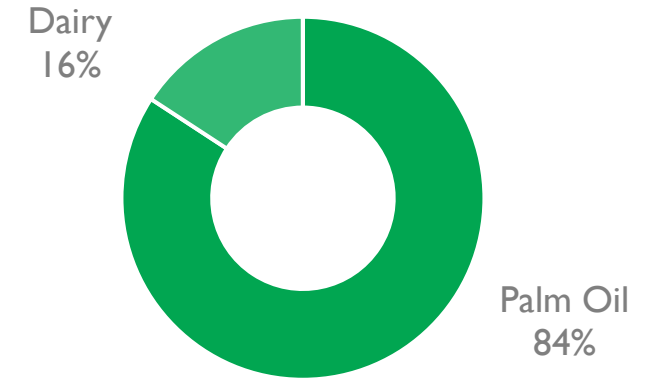
Dairy

735 milking cows / 1,683 herd

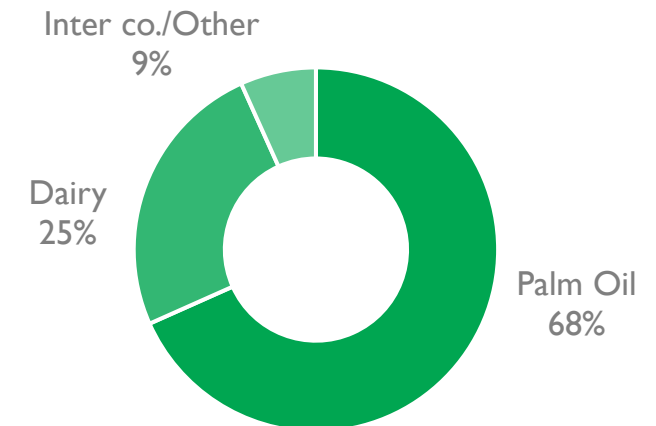
Board of Investment (BOI) registered project which commercial operations in Aug 2017

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

Revenue Split IQFY25



Total Asset Split IQFY25

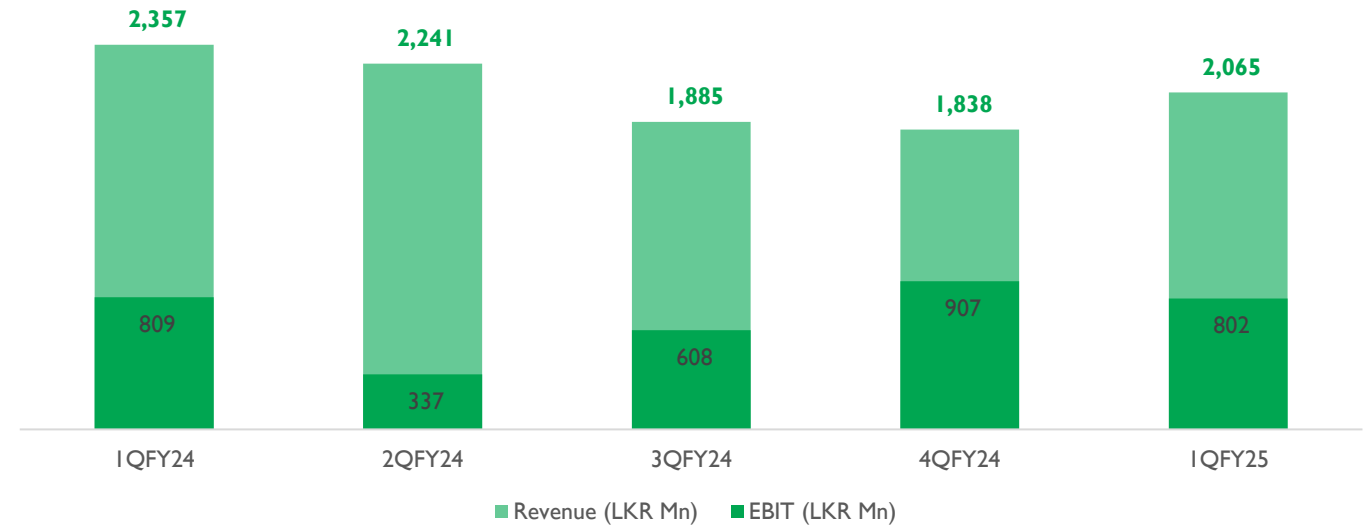


Agribusiness – Highlights

Sector Highlights

The Agribusiness sector reported revenue of LKR 2.1 billion in 1QFY25, reflecting a **12.1%** YoY contraction, stemming from a **13.8%** YoY contraction in the palm oil business

GP margin for 1QFY25 improved to 46.4% from 42.0% last year



Investor Metrics

	1QFY24		2QFY24		3QFY24		4QFY24		1QFY25	
Revenue Growth % (YoY) (QoQ)	27.3%	11.2%	-17.8%	-4.9%	-8.9%	-15.9%	-13.3%	-2.5%	-12.4%	12.4%
EBIT Margin (%)	34.3%		15.0%		32.3%		49.3%		38.8%	
PAT / PAT Margin (%)	751	31.9%	878	39.2%	574	30.5%	142	7.7%	582	28.2%
ROIC (%)	31.4%		30.8%		27.3%		25.3%		27.0%	

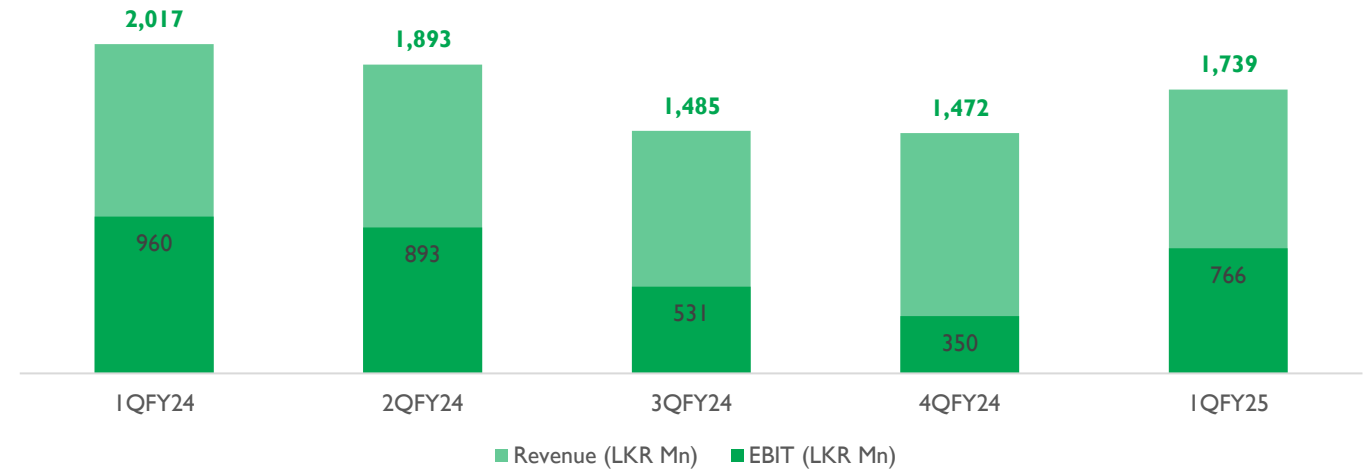
LKR Million unless stated otherwise

Palm Oil – Performance Highlights

Business Highlights

The top line of the palm oil segment was impacted by the reduction in palm oil prices and volume of oil sold in IQFY25. This resulted in a reduction of the gross profit margin to 52.6% in IQFY25, compared to 56.5% in IQFY24.

The business achieved a net profit margin of 32% for the period ending IQFY25, reflecting a 740bps decrease compared to the same period last year due to the change into applicable taxation rates



Investor Metrics

	IQFY24		2QFY24		3QFY24		4QFY24		IQFY25	
Revenue Growth % (YoY) (QoQ)	23.8%	11.5%	-21.5%	-6.2%	-13.8%	-21.5%	-18.6%	-0.9%	-13.8%	18.1%
EBIT Margin (%)	47.6%		47.2%		35.7%		23.8%		44.0%	
PAT / PAT Margin (%)	924	45.8%	883	46.7%	516	34.7%	332	22.6%	556	32.0%
CPO Production Growth (YoY %)	50%		9%		-1%		-4%		-21%	
Average palm oil price Growth (YoY %)	-17%		-28%		-4%		-12%		-12%	

LKR Million unless stated otherwise

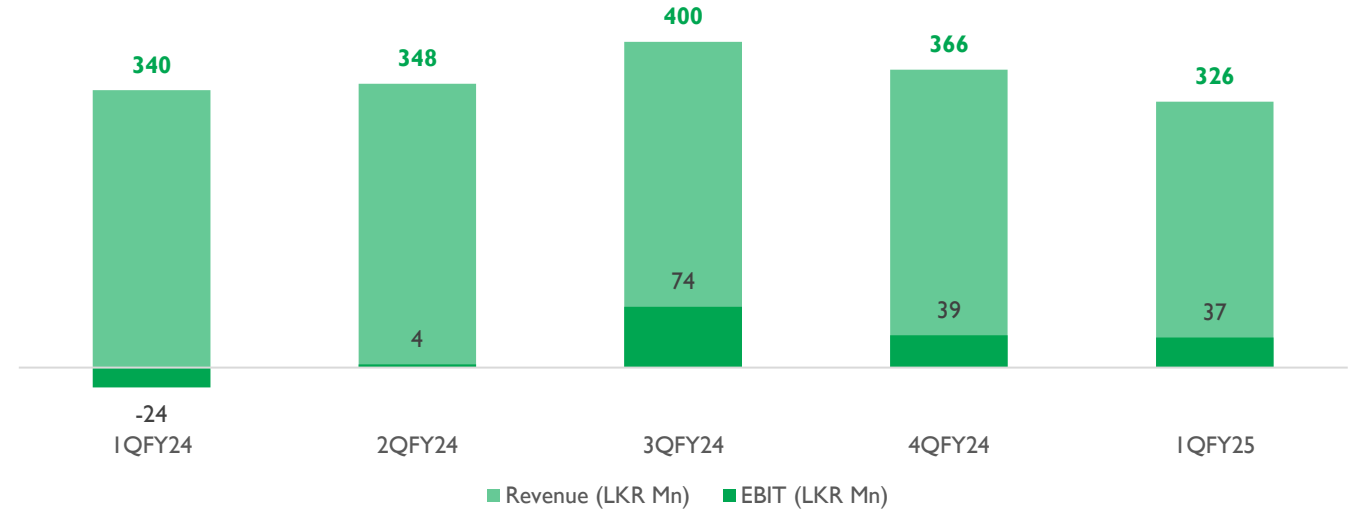
Dairy – Performance Highlights

Business Highlights

The dairy business recorded a revenue of LKR 326 million cf. LKR 340 million during the same period last year

Profitability improvements in Dairy Business supported by the reduction in feed cost during the period

The farm had a herd strength of 1,683 of which 735 were milking cows at end June 2024



Investor Metrics

	1QFY24		2QFY24		3QFY24		4QFY24		1QFY25	
Revenue Growth % (YoY) (QoQ)	53.2%	9.9%	10.1%	2.3%	15.4%	14.8%	18.0%	-8.6%	-4.2%	-10.8%
EBIT Margin (%)	-7.1%		1.1%		18.6%		10.8%		11.2%	
PAT / PAT Margin (%)	-44	-12.8%	-12	-3.5%	58	14.6%	-142	-38.8%	27	8.2%
Milk Production Growth (YoY %)	19%		4%		5%		10%		-1%	
Average milk price Growth (YoY %)	29%		15%		3%		4%		1%	

LKR Million unless stated otherwise

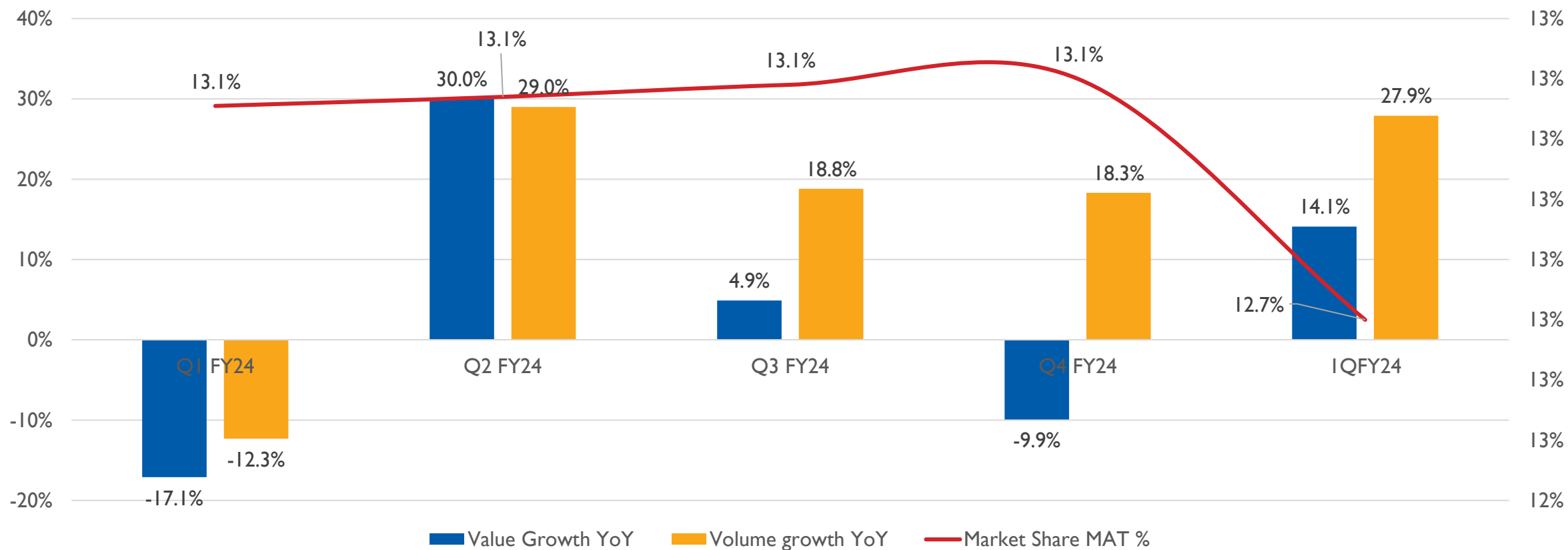
Q&A

Appendix

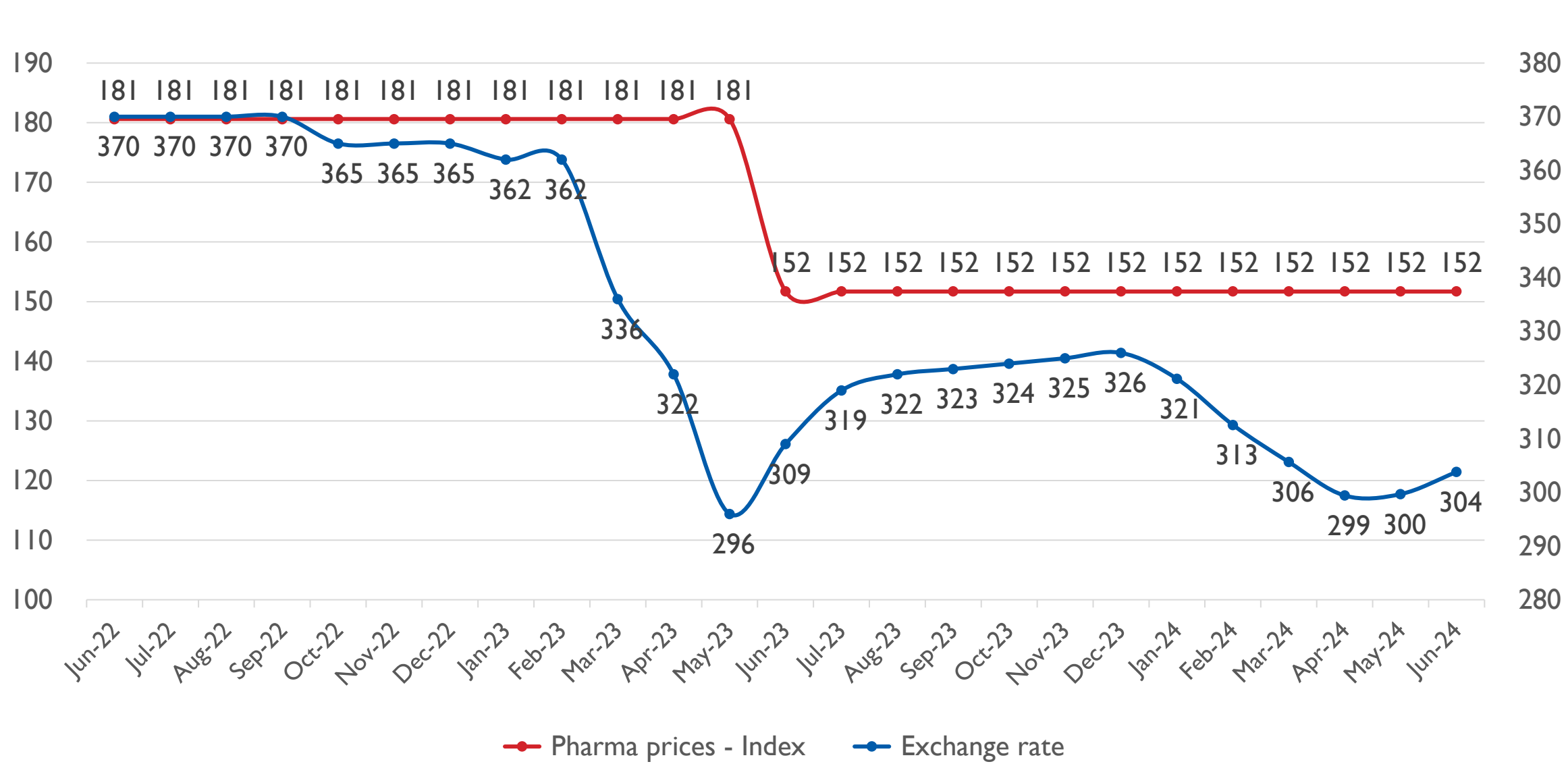
Sunshine Pharmaceuticals – Market Dynamics



During IQ2024, while the market experienced a growth of 4.1%, the company's performance remained stable

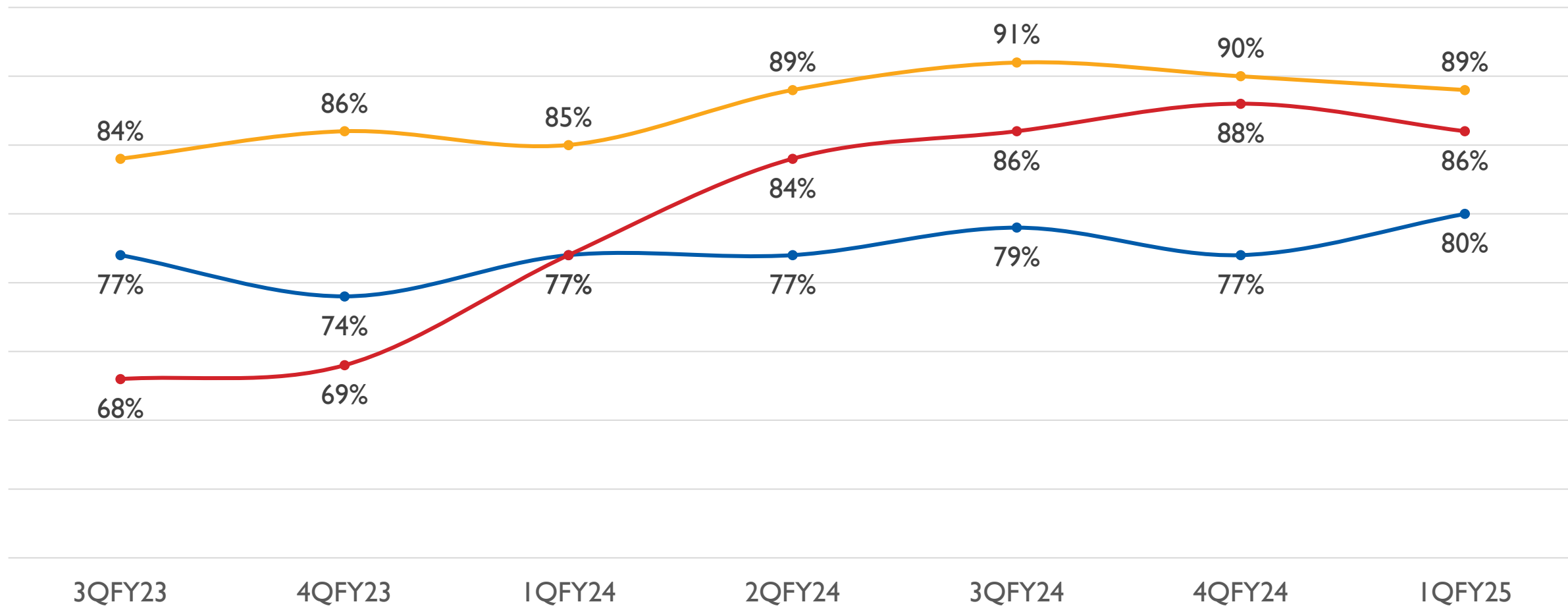


Pharmaceuticals – Price Increase Index



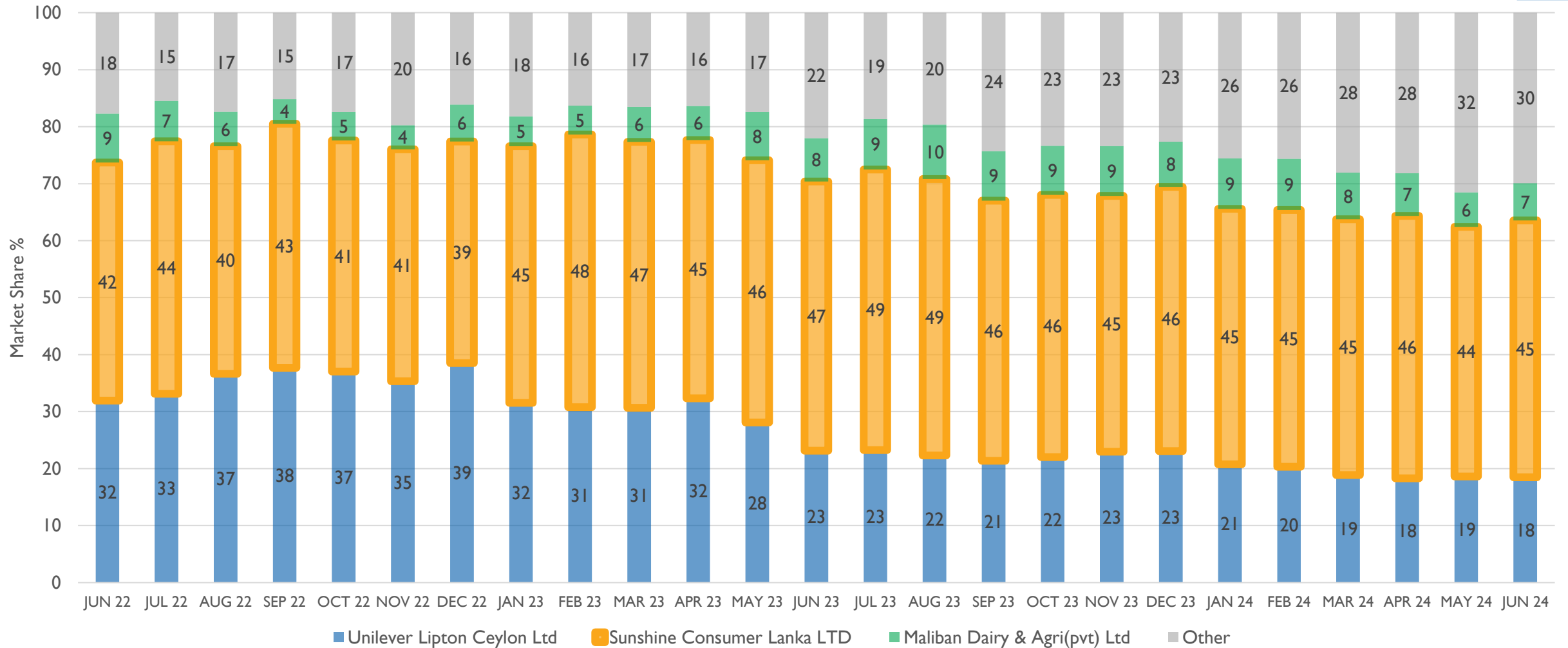
Dec 2021 considered as the base (i.e., 100)

Sunshine Medical Devices – Market Dynamics

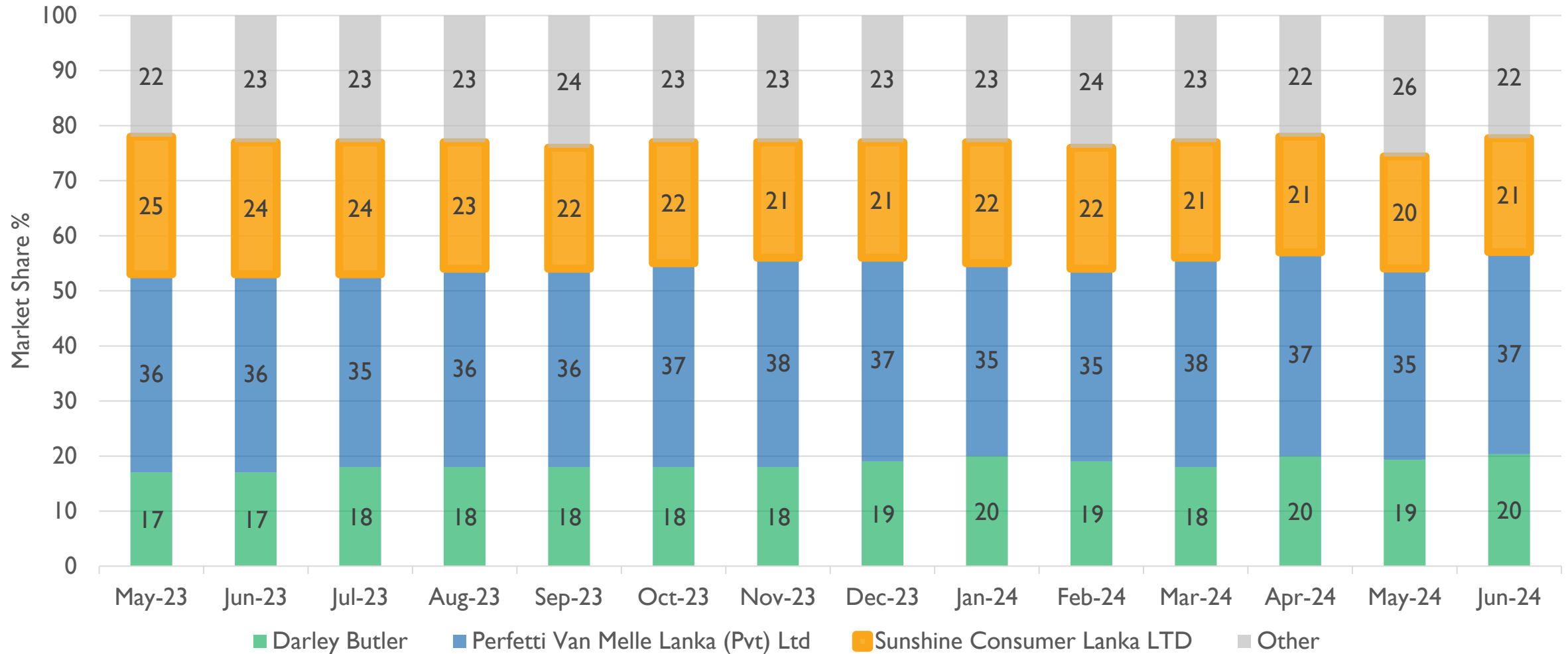


● Hospital Occupancy ● Lab Tests ● Operation Theaters

Brand Value Market Share (%) – Tea

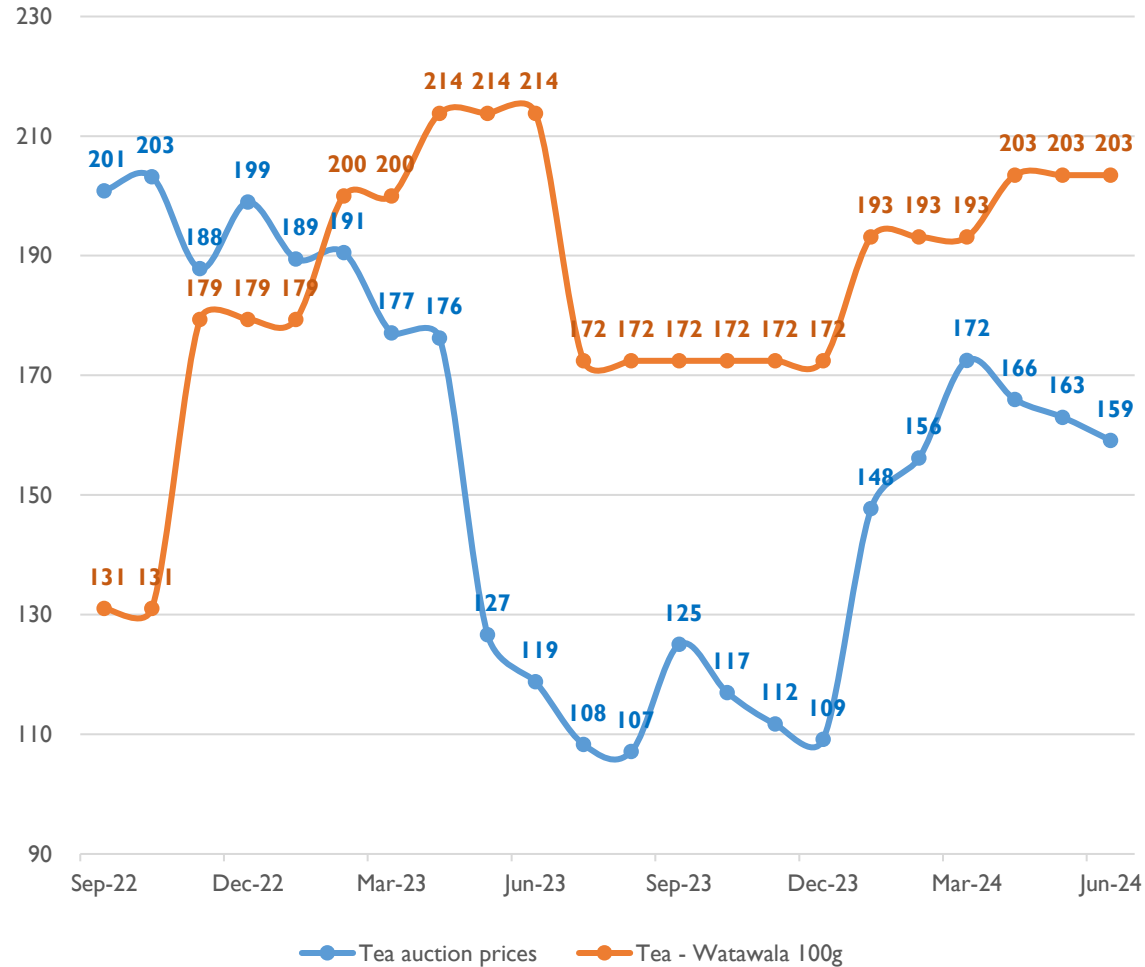


Brand Value Market Share (%) – Confectionary

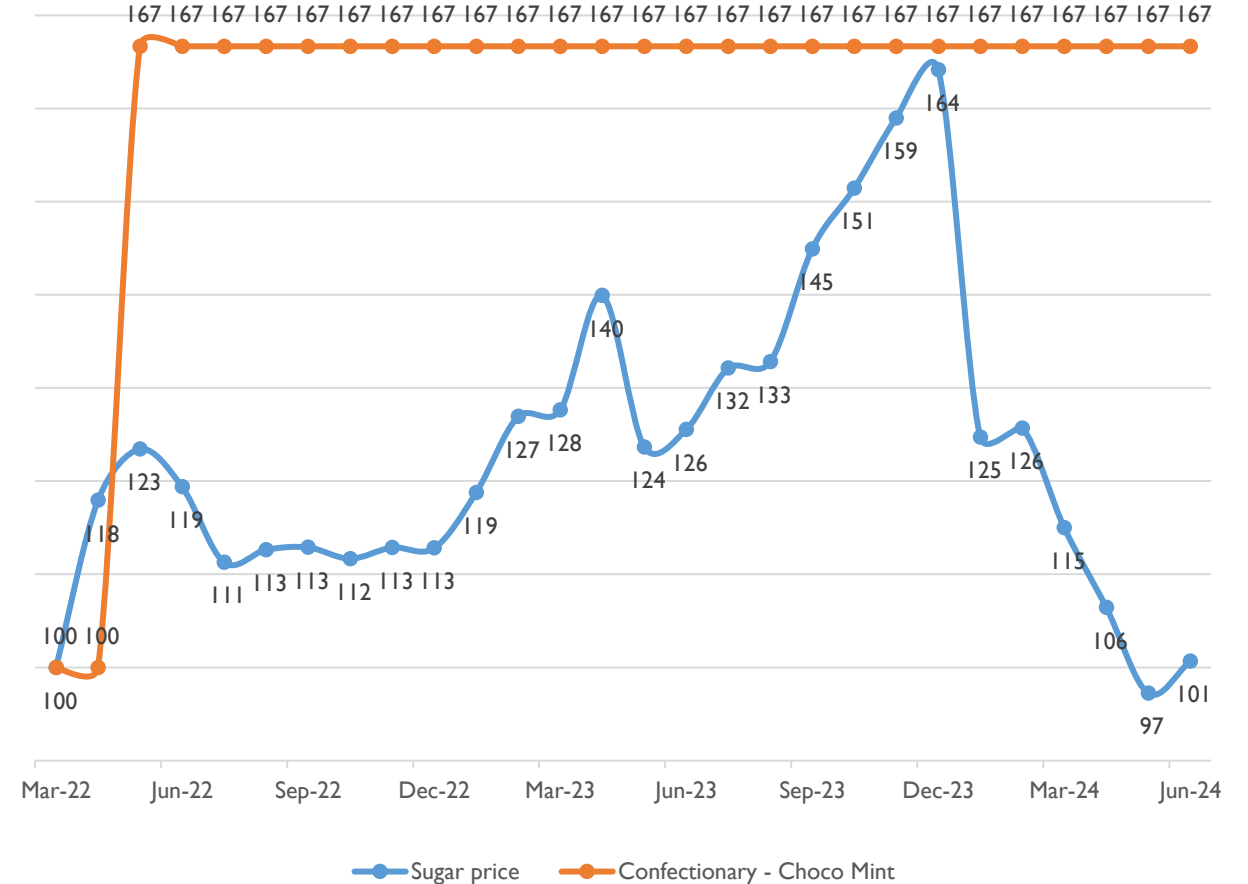


Price Index – Tea and Confectionary

Tea Price Index



Confectionery Price Index

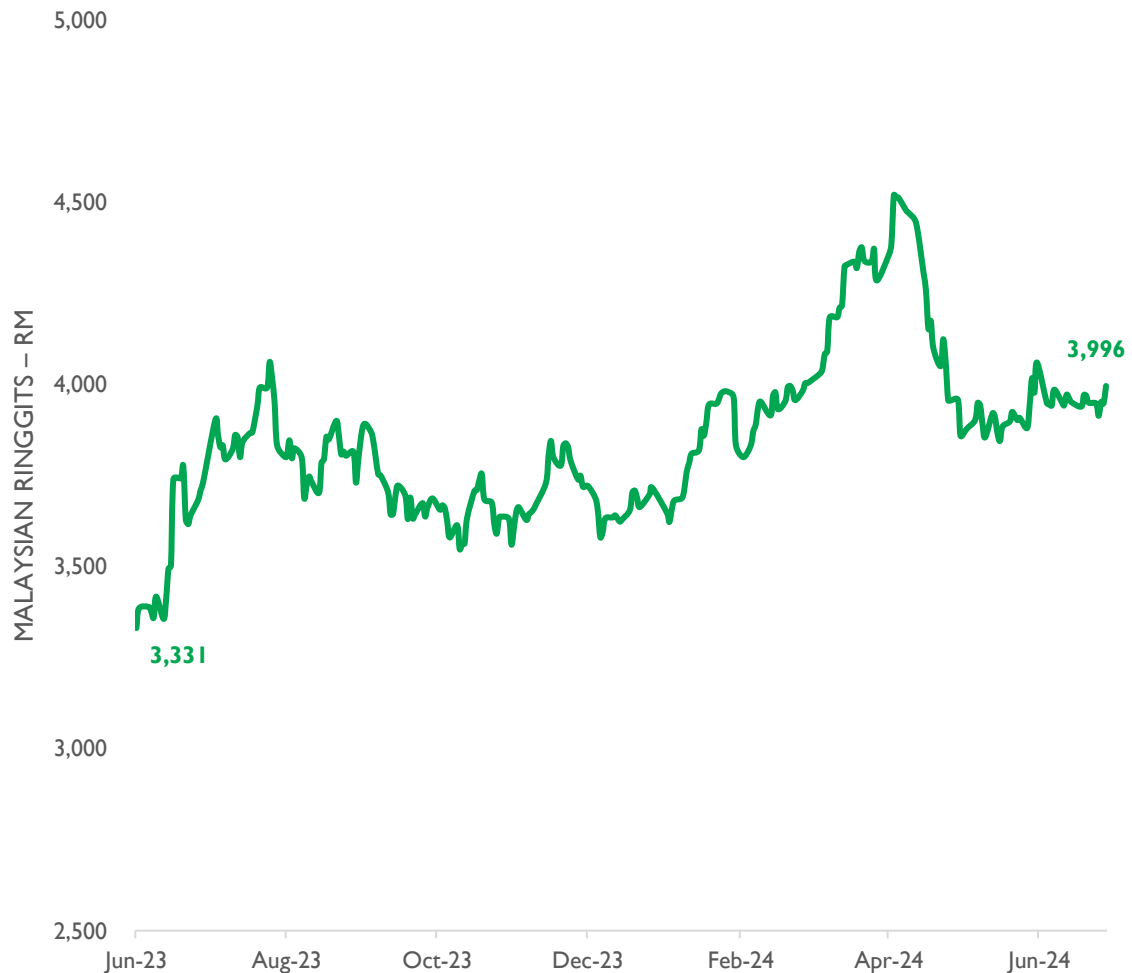


March 2022 considered as the base (i.e., 100)

Agribusiness – Price Movement

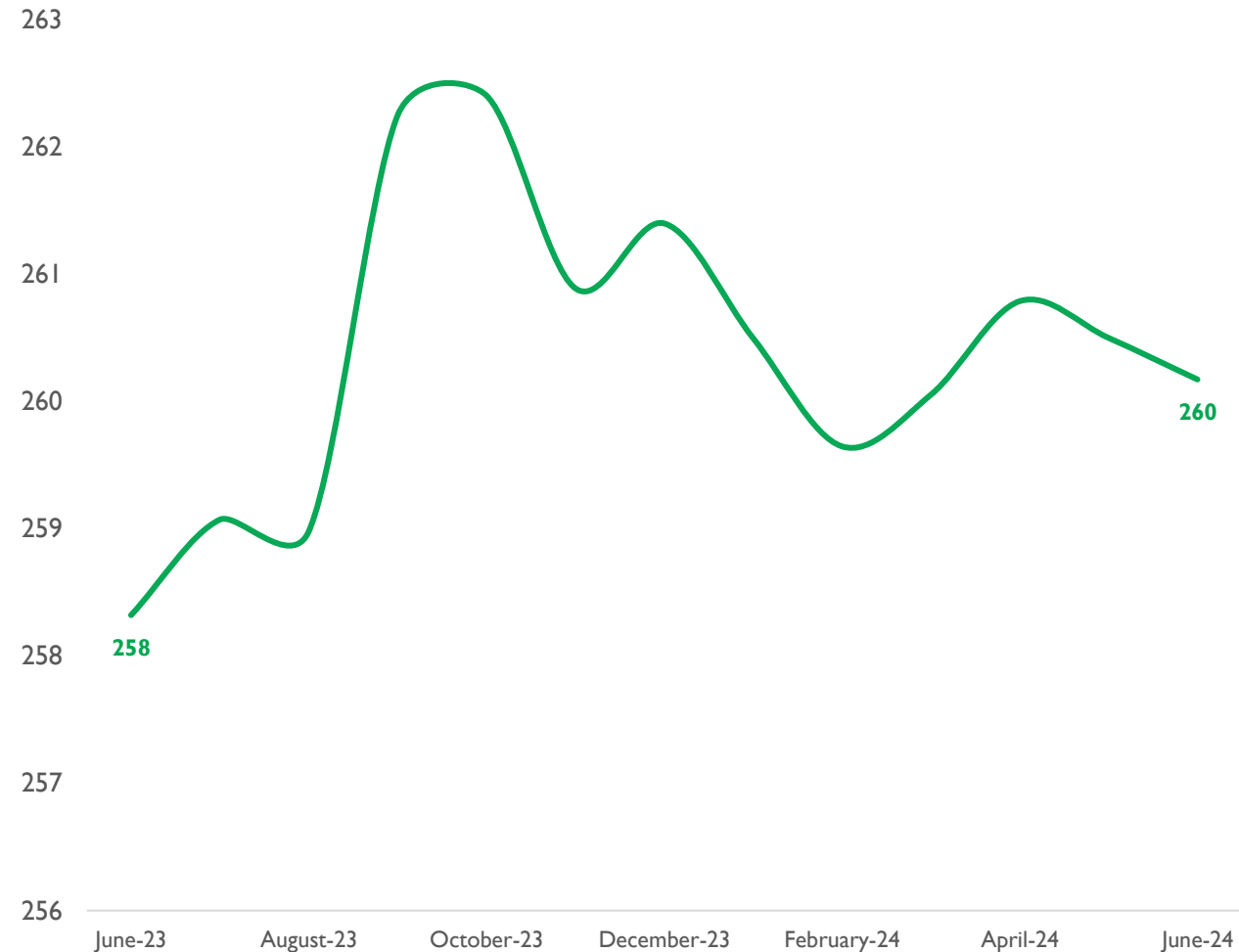


Settlement Price (RM)



Source - Malaysian contract price

WDL's Avg Milk Price (LKR)



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.

Thank you!

For more information, Please visit our Investor Relations page



<https://www.sunshineholdings.lk/investor/financial-reports>