



sunshine

Sunshine Holdings PLC

“A growth story in Healthcare and Consumer”



VISION

To be the most admired conglomerate in Sri Lanka

Growing our enterprises to be industry leaders

MISSION

VALUES

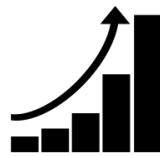
- Innovation
- Perseverance
- Trust
- Responsibility
- Integrity

FY22 Highlights



LKR **16.4** bn

Market Capitalization
as at 31.03.2022



LKR **32.2** bn

Group Revenue FY22



15.5%

PAT Margin FY22



LKR **6.06**

Basic EPS FY22



0.21

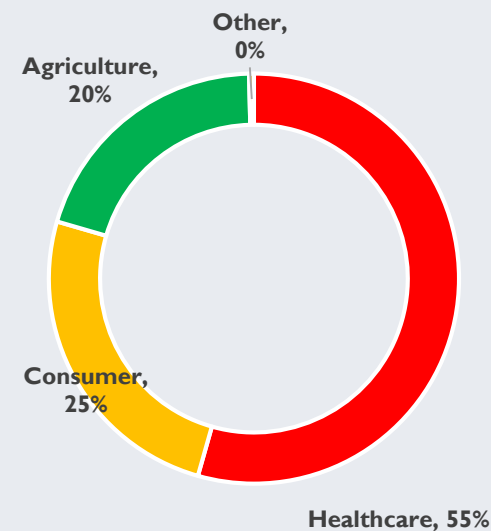
Debt to Equity Ratio
FY22



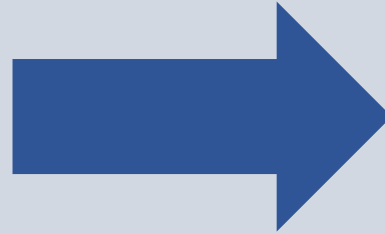
27.1%

ROE as at 31.03.2022

Sector Contribution to Group Revenue [FY22]



Our Legacy



1967

2021

Acquisition of WATA

Healthguard Pharmacy

Sunshine Energy

SBI Private Placement USD5m

Divestment of tea plantation

Daintee Acquisition (Funded by an LKR linked loan from IFC – USD 5m)

Divestment of hydro and solar power business

1996

1998

2003

2008

2010

2016

2018

2019

2020

2021

Consumer Brands business

USD 4.75m investment for 25% stake in SUN

Watawala Dairy

Acquisition of Akbar Pharmaceuticals

USD 2m investment in Dairy

March 2022

Acquisition of Tea Export Business [Sunshine Tea] – LKR 1.44bn

Annual revenue of ~LKR 5bn

Group Restructure



AGRICULTURE

Lotus Renewables buys Sri Lanka's Hatton Plantations

Tuesday May 28, 2019 7:05 pm

Sri Lanka's Sunshine Holdings boosts stake in tea marketing firm

Tuesday May 12, 2020 2:44 pm



Sunshine Consumer extends portfolio beyond tea with Rs. 1.7 b acquisition of Daintee

Monday, 10 August 2020 03:35

Google Bookmark Facebook + More 3

- Says move timely in its bid to strategically expand presence in fast-growing FMCG segment
- Acquisition as part of Group strategy to nurture and build local brands

Sunshine Holdings and Akbar Brothers merge healthcare biz

Friday, 18 December 2020 00:27

Google Bookmark Facebook + More 17



Aitken Spence buys mini-hydro firm for Rs. 900 m

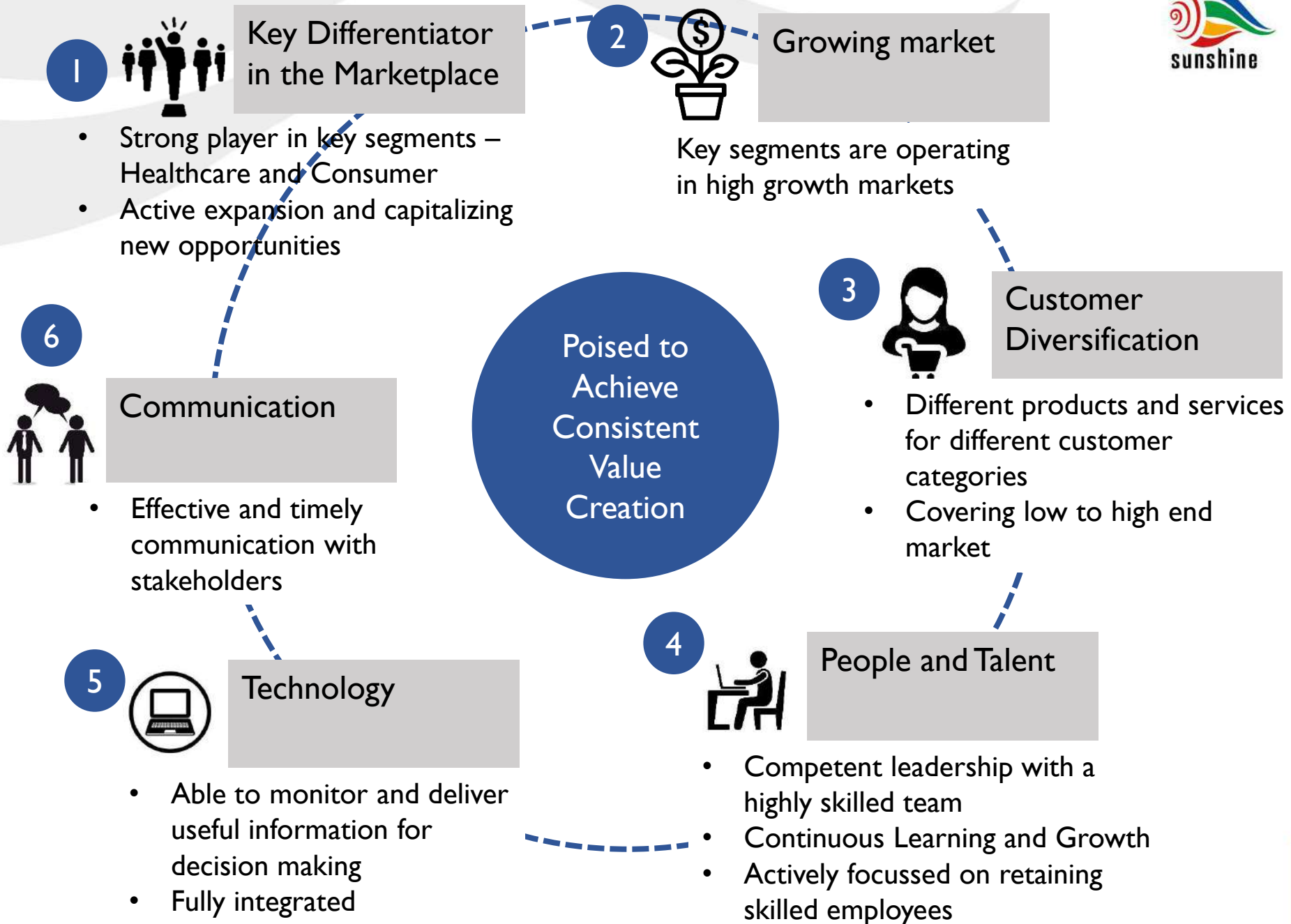
Thursday, 8 April 2021 03:28

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Sunshine Holdings completes the acquisition of Sunshine Tea

2022-04-01

April 01, 2022: Diversified conglomerate Sunshine Holdings PLC (CSE: SUN) announced today that it has completed the acquisition of Sunshine Tea (Private) Limited (STPL).



Business Portfolio

Healthcare

Fully Integrated Healthcare Supply Chain

- Lina Manufacturing
- Sunshine Pharmaceutical
- Sunshine Medical Device
- Healthguard Distribution
- Healthguard Retail

Consumer

Market Leader in Branded Tea and Sugar Confectionary

Key Brands:

- Watawala Tea
- Daintee
- Zesta
- Ran Kahata
- Milady
- Xtra

- Exports added to the Group via the acquisition of Sunshine Tea Pvt Ltd.
- Exports value added tea to over 40 countries while catering to the local market as well.

Agri Business

Oil Palm

- plantation over 3,400 hectares – largest in Sri Lanka

Dairy Farm

- 1,800 herd producing 18,000 litres of fresh milk per day

Primary Focus of the Group

Healthcare

- Sri Lanka's first fully integrated healthcare company
- Pharmaceutical – 2nd Player in the Market with 13.0% market share

Group Effective Holding: 100%

Agency

Distribution

Manufacturing

Retail

- Pharmaceuticals and Medical Devices
- 2nd largest pharma importer
- Over 75 principals
- Coverage of over 3,000 pharmacies
- End to end National distribution with 6 Regional Distribution Centres
- **Positioning – Preferred partner for pharmaceutical and medical device manufacturers with a strong distribution function**



Healthcare

Group Effective Holding: 100%

Agency

Distribution

Manufacturing

Retail

Lina
Manufacturing



- R&D activities
- Lina Manufacturing – respiratory pharmaceuticals and devices
- Lina Spiro – metered-dose inhalers
- Annual capacity:
 - ✓ Lina manufacturing – 1.6bn units
 - ✓ Lina Spiro – 2m units
- **Positioning – Leading local pharma manufacturer of respiratory products**

Healthcare

Group Effective Holding: 100%

Agency

Distribution

Manufacturing

Retail



- Healthcare and wellness products
- 13 pharmacy outlets
- Coverage is Colombo-centric due to high purchasing power
- **Positioning – targets Colombo district urban affluents**

Consumer

Market leader in branded tea and sugar confectionery



Group Effective Holding: 100%

Tea

Confectionery

Exports



- Largest branded tea company in Sri Lanka – 48% market share
- Brands catering to different consumer segments
 - ✓ Zesta – premium – local and export
 - ✓ Watawala – middle income
 - ✓ Ran Kahata – low income
- Functional teas – Haritha tea / Ayur tea
- **Positioning – targets a wide range of consumer segments with differentiated brands**

Consumer

Group Effective Holding: 100%

Tea

Confectionery

Exports



- Daintee Ltd acquired in August 2020
- Market leader in the hard boiled candies category: ~43% market share
- Distribution network: ~90,000 outlets
- 2 manufacturing sites
- **Positioning – Sugar confectionary for middle income consumers**

Consumer

Group Effective Holding: 100%

Tea

Confectionery

Exports



- Sunshine Tea (Pvt) Ltd acquired in March 2022
- Currently focuses on exporting 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
- **Positioning – Export of Sri Lankan Agri Produce**

Agribusiness

Agribusiness segment is engaged in Oil Palm plantations and Dairy in partnership with Wilmar International: CSE listed WATA – Market cap of LKR36bn

Group Effective Holding: 38%

Palm Oil

- ~3,400 Ha
- 96% (~3,200Ha) has been cultivated
- RSPO certified - sustainable
- **Positioning – largest palm oil producer in Sri Lanka**

Group Effective Holding: 35%

Dairy

- 800 milking cows / 1,800 herd
- Aug 2017 – commercial operations
- May 2021 - SBI invested USD 2m
- **Positioning – premium quality fresh milk**



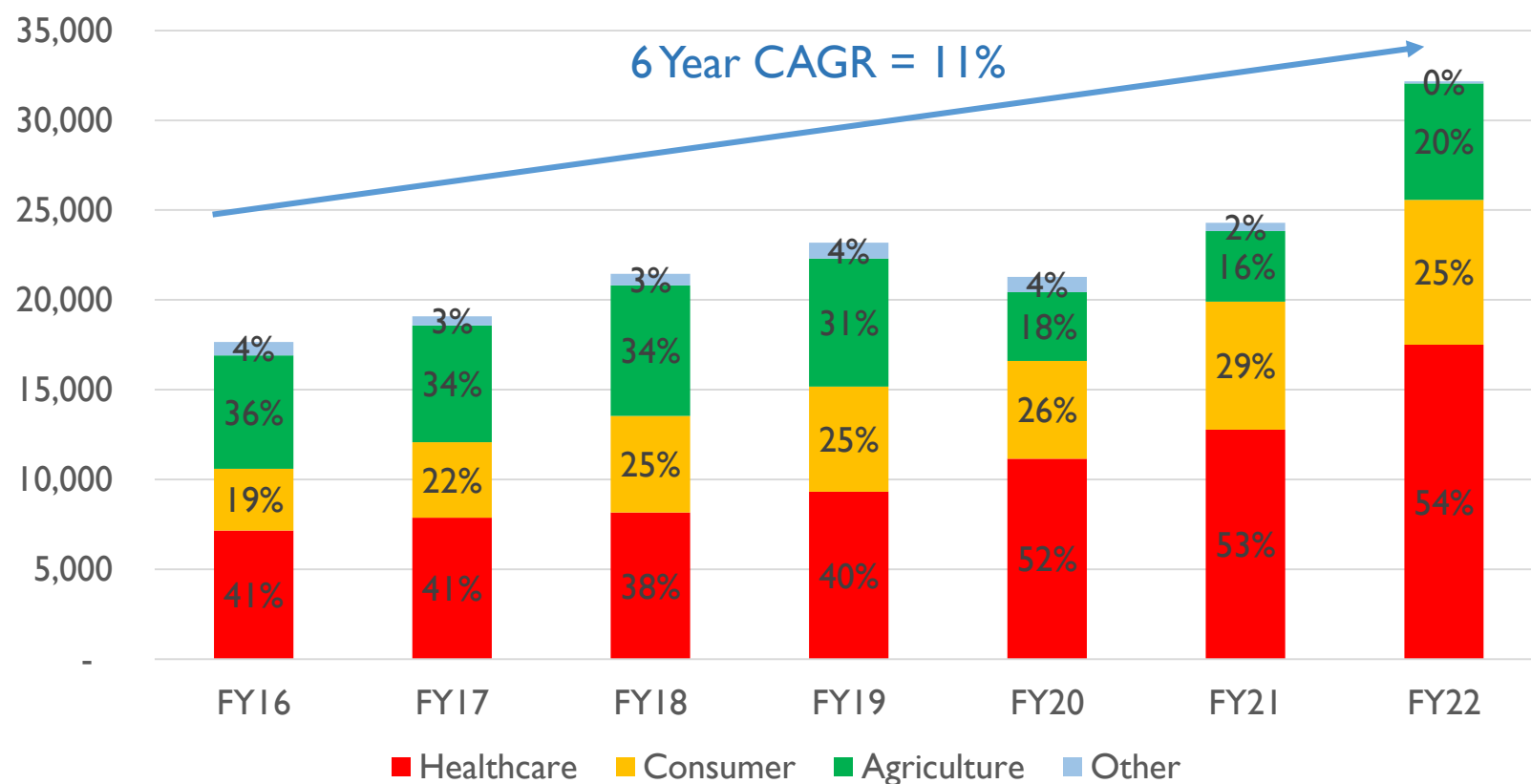
Land Bank

- Other segment includes the income earned from properties owned by the Group

Location	Land Area [Perches]	Property Value [LKR Million]	Purpose
Ratmalana [Daintee Ltd]	429.18	815	Production and logistics of confectionery
Ratmalana	195.5	366	Warehouse
Colombo 10	28.5	226	Bare Land
Colombo 15	142.6	161	Pharma logistics
Colombo 15	246.29	117	Bare Land
Bandaragama	160	40	Bare Land
Kurunegala	1,672.00	31	Bare Land
Total	2,874.07	1,756	

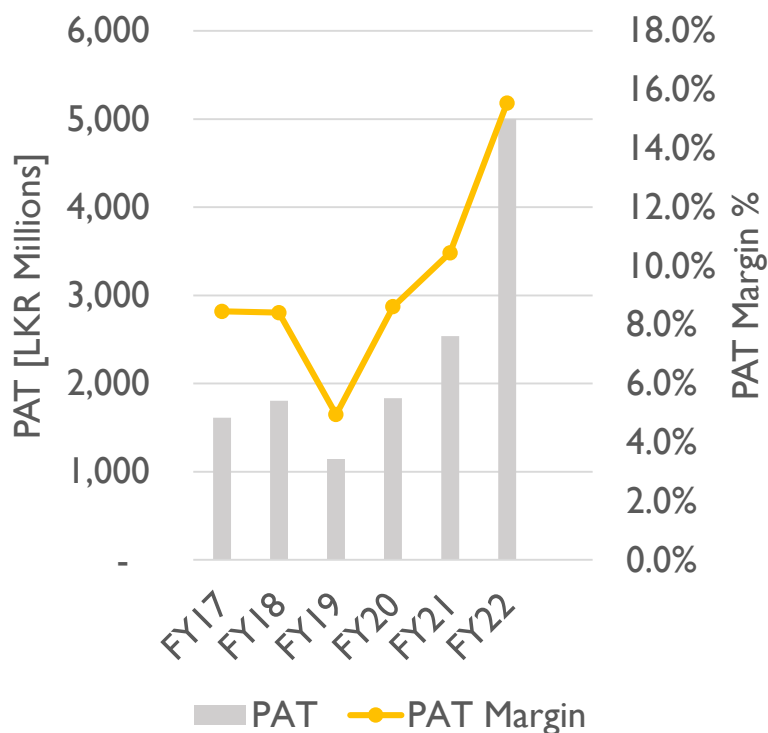
Key Financials at a Glance

Revenue Growth and Composition [FY16 – FY22]

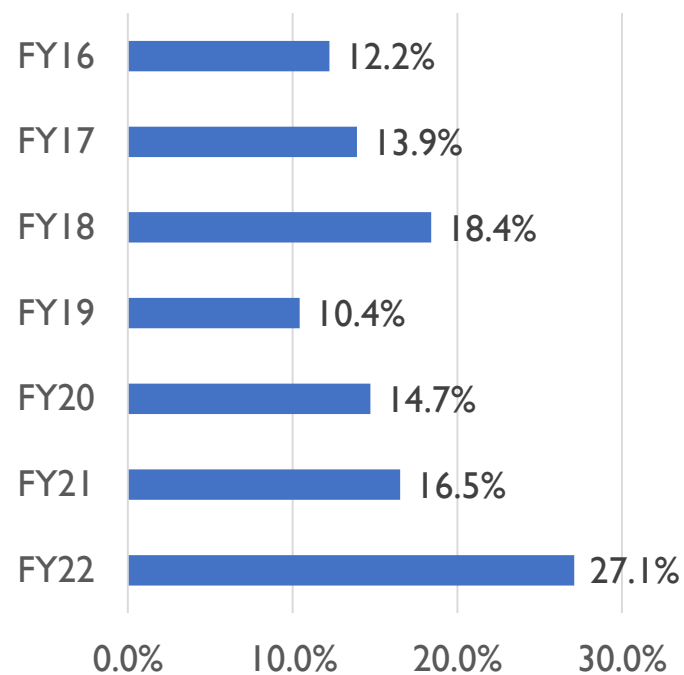


Key Financials at a Glance

Normalised Profit After Tax [FY16 – FY22]



ROE [FY16 – FY22]



Note: ROE is calculated as PAT over Total Equity

Why Invest

Defensive Portfolio

- Strong portfolio mainly focused on Healthcare and Consumer verticals
- Fully integrated healthcare segment
- 2nd player in the pharma market
- Well established brands under consumer vertical
- Market leader in branded tea and sugar confectionery

Stable Performance

- Solid revenue growth track record with benefits of diversification
- Strong cashflow position and balance sheet
- Active capital management – strategic acquisitions, expansions, dividend distribution
- Capitalizing on opportunities

Growth Drivers

Healthcare – high growth market with

- Ageing population
- Increasing health and wellness consciousness
- Government support in manufacturing
- Available capacity for manufacturing

Consumer –

- High growth market with brand loyalty achieved in tea segment
- New opportunities and wider customer base with the acquisition of Daintee
- Export segment to tap into new markets

Future Prospects

Healthcare

- Continue to grow as a fully integrated Healthcare business
- Industry consolidation in import and distribution
- New products under the acquired manufacturing arm – optimum utilization of existing capacity

Consumer

- Group expects to widen its presence in the Consumer segment
- Maintain leadership in branded tea segment by conversion of unbranded tea consumers
- Maintain leadership in sugar confectionery
- New product development in existing categories
- Exploring new opportunities in the export segment

Risk / Challenges

- LKR depreciation
- Sluggish consumer spending
- High global commodity prices

Corporate Governance



Corporate Governance Framework

Audit Committee

Nomination and Remuneration
Committee

Investment Committee

Related Party Transactions Review
Committee

Risk Review Committee

Strategy Committee

8

INE Directors
including Chairman



A. CABRAAL

2

Non-Executive
Directors



S. SHISHOO

2

Executive
Directors



A. D. B. TALWATTE



H. D. ABEYWICKRAMA



S. RATWATTE



SUDARSHAN JAIN



S. RENGANATHAN



RUVINI FERNANDO

Sunshine Foundation for Good



Reverse Osmosis plant openings



Donated tablets, together with Zydus Cadila, to help fighting Covid-19



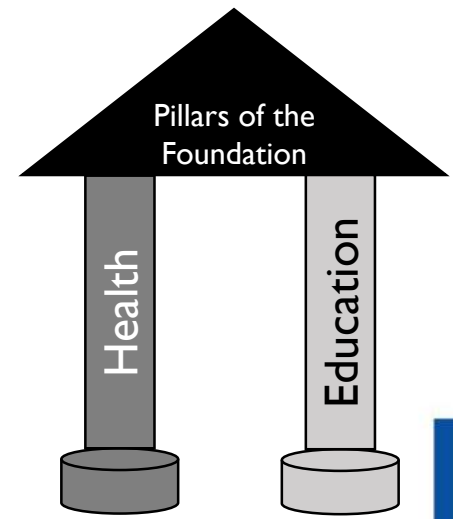
Donated over LKR 4.7m to IDH



Donated 12 ICU beds worth LKR 7m



ICU at Udegama base hospital



More information



- Corporate Website (<http://www.sunshineholdings.lk>)
 - Annual Reports
 - Quarterly Financials
 - Results Release
 - Investor Presentations
- Follow us on [LinkedIn](#) for industry and company news

Disclaimer

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.

The background features several thick, light gray wavy lines that flow from the left side of the frame towards the right, creating a sense of movement and depth. The lines are layered, with some appearing in front of others, and they all taper off towards the right edge.

Thank you