



SUN LIMITED

**Analyst Meeting
28 June 2024**

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Scheme Rationale

- Sun Limited is undergoing a **corporate restructuring** to sharpen its strategic focus on two key areas:
 - the owner-managed resorts and hospitality expertise of *Sunlife*, and
 - the asset-managed branded luxury resorts, now unified under Riveo Ltd
- This move aims to deliver a **clearer and enhanced value proposition** to shareholders

sunlife

SUGAR
BEACH
MAURITIUS

LONG BEACH
MAURITIUS

LA
PIROGUE
MAURITIUS

ambre
MAURITIUS

Île aux
CERFS
LEISURE ISLAND
& GOLF CLUB

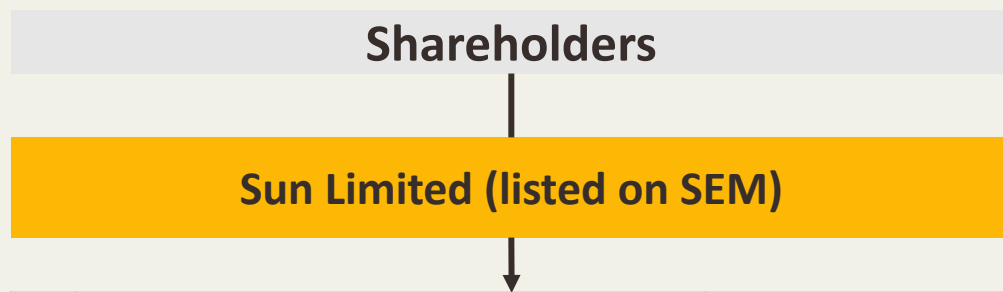
FOUR SEASONS
RESORT
MAURITIUS AT ANAHITA

SHANGRI-LA
LE TOUËSSROK
MAURITIUS

Proposed Split of the Branded Resorts and Ile aux Cerfs into a New Listed Company

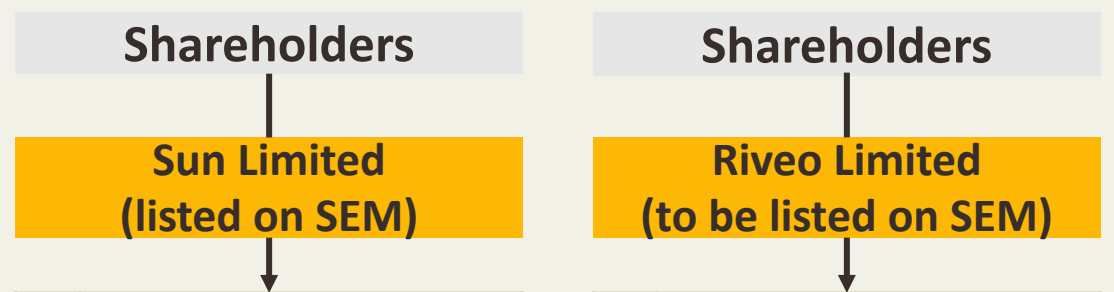
- Shareholders of Sun Limited ("**SUN**") to be offered shares in Riveo Limited ("**RIVEO**") on a one-to-one basis
- Riveo Limited shall, subject to all requisite approvals being received, be listed on the main board of the SEM

Current Structure



#	Investee Company	Hotel Name
1.	City & Beach Hotels (Mauritius) Ltd	La Pirogue
2.	Wolmar Sun Hotels Ltd	Sugar Beach
3.	Ambre Resort Ltd	Ambre
4.	Long Beach Resort Ltd	Long Beach
5.	SRL Touessrok Hotel Ltd*	Shangri-La
6.	Anahita Hotel Ltd	Four Seasons
7.	Loisirs des Iles Itee	Ile aux Cerfs

Proposed Structure



#	Investee Company
1.	City & Beach Hotels (Mauritius) Ltd
2.	Wolmar Sun Hotels Ltd
3.	Ambre Resort Ltd
4.	Long Beach Resort Ltd

#	Investee Company
1.	SRL Touessrok Hotel Ltd*
2.	Anahita Hotel Ltd
3.	Loisirs des Iles Itee

Note (*): 74% stake in SRL Touessrok Hotel Ltd

Different Business Models and Investment Returns

	Sun Limited	Riveo Limited
Manager	<i>Sunlife</i>	Luxury Operators (Four Seasons & Shangri-La)
Segment	4 & 5 Star	5 Star Luxury
Real Estate Assets	Prime Beachfront Properties	Trophy Assets
Investment Rationale	A High Dividend Paying Stock	An IRR Driven Investment

Despite Improved Performance, SUN Continues to Trade at a Significant Discount

	Pre-COVID FY18	Post-COVID FY23 ⁽¹⁾	9m to 31 Mar 24 ⁽¹⁾⁽²⁾
		Improved Operational Performance →	
Revenue (MUR'bn)	6.72	8.13	6.87
EBITDA (MUR'bn)	1.29	2.45	2.20
		Healthier Balance Sheet →	
Net Debt (MUR'bn)	8.21	3.45	2.93
Net Debt-to- EBITDA	6.36x	1.41x	1.33x
		Material Increase in NAV Discount	
NAV Discount	18.1%	55.6%	37.9% ⁽³⁾

Notes:

1 Net debt excludes MIC convertible bonds treated as equity in SUN accounts

2 Revenue, EBITDA and Net debt-to-EBITDA figures are for the 9 months to 31 March 2024

3 At 30 April 2024, SUN's market capitalization was MUR 8.11bn and NAV at 31 March 2024 of MUR 13.06bn, representing a discount of 37.9%.

Both SUN and RIVEO are Profitable Companies with Big Assets Base

9 Months to
31 March 2024

Sun Limited

Riveo Limited

Key Points

- At the IPO, we expect that both Sun Limited and Riveo Limited shall be amongst the 20 largest listed companies on the SEM

Revenue

4.18

2.75

EBITDA

1.47

0.72

PAT

1.06

0.35

Net Asset
Value

8.57

4.48

All figures in MUR'bn

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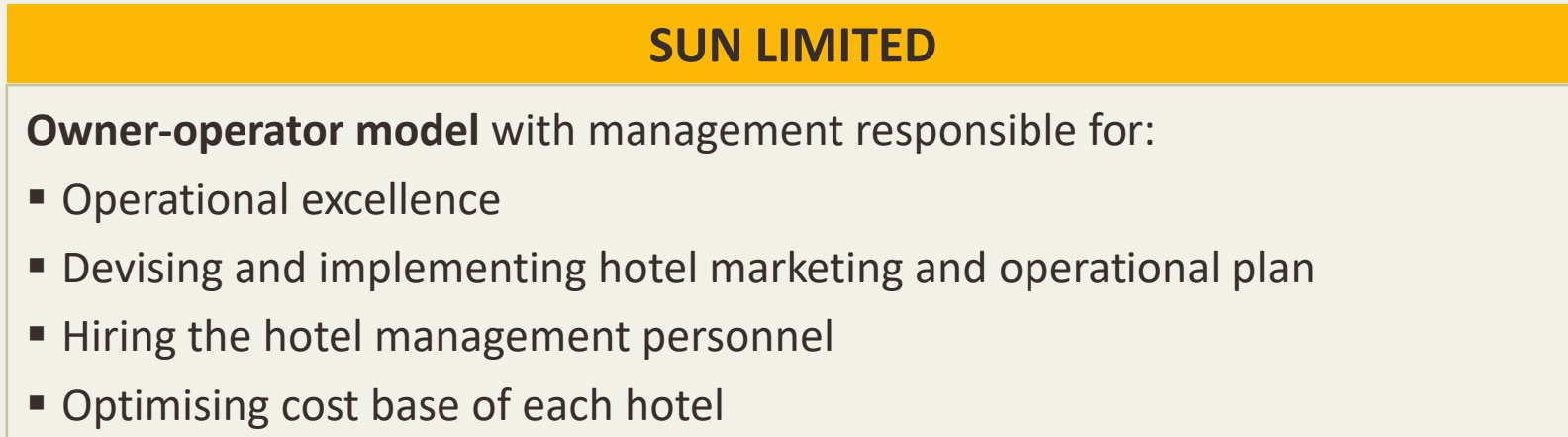
1 The Transaction





2 Sun Limited – Investment Rationale

3 Riveo Limited – Investment Rationale






4 The Scheme

Sunlife Hotels – Business Plan



Hotels	 	 
Business Plan	<ul style="list-style-type: none"> ▪ Unique assets with strong track record ▪ Strong name for each hotel, with high % repeat clientele ▪ Consistent and strong free cash flow generation 	<ul style="list-style-type: none"> ▪ Upgrading and repositioning of both properties to improve RevPAR and increase profitability ▪ Long Beach: Optimise asset performance with a proper renovation and property development ▪ Ambre: New concept post renovation






Sunlife Hotels posted a Strong Performance for 9 months to date

9 months ended 31 March 2024					
Operational Performance					
Number of Keys	238	248	255	297	1,038
Occupancy Rate	81%	83%	81%	80%	81%
ADR (MUR)	14,698	12,978	10,313	7,380	11,143
Financial Performance (MUR'm)					
Revenue	1,146.1	1,024.0	945.4	756.5	3,872.0
EBITDA	448.7	424.2	194.6	182.7	1,250.2
PAT	256.0	294.8	85.0	145.0	780.8
PAT / Key	1.1	1.2	0.3	0.5	0.8

Key Points

- The Sunlife hotels shall have an annualised revenue of around MUR 5bn
- As a portfolio, the Sunlife hotels generated an EBITDA exceeding MUR 1.25bn, an increase of 19% over the previous corresponding period in FY23
- Since forward looking indicators remain positive, we expect a superior performance from the Sunlife hotels compared to FY23

The Sunlife Hotels have Low Debts





As at 31 March 2024					
Debt Overview					
Total Debt (MUR'm)	1,489	1,088	-	-	2,577
Interest Rate	5.5%	3.4%	-	-	4.6%
Remaining term to maturity (years)	3.6	2.7	-	-	3.2
Average Annual Repayment, MUR'm	180	155	-	-	335
Care MAU Rating	A (Stable)	A (Stable)	-	-	N/A
Currency	EUR	EUR	-	-	EUR
Debt-to-EBITDA*	3.3x	2.6x	-	-	2.1x


*Based on EBITDA for the 9 months ended 31 March 2024

Key Points

- Long Beach's MIC convertible bonds of MUR 2.0bn are treated as equity with a long maturity date
- The long-term objective is maintain a debt-to-EBITDA of less than 3x and annual average repayments of less than 1x the EBITDA

The Phased Hotel Renovation Programme should Contribute to Improved Earnings

	FY26	FY27	FY28	FY29	FY30	FY31
	MUR 600m					
		MUR 600m				
			MUR 650m			
					MUR 800m	

 : Indicative costs of hotel renovation programme

Key Points

- Based on preliminary estimates, the hotel renovation programme is costed around MUR 2.65bn
- While Ambre and Long Beach capex are expected to drive additional RevPAR, the La Pirogue and Sugar Beach capex shall be incurred to maintain the hotel's performance
- Based on the EBITDA for the 9 months ended 31 March 2024, the Sunlife capex of c. MUR 2.65bn represents an additional debt to EBITDA of 2.1x. Accordingly, the portfolio capex can be comfortably funded through debt

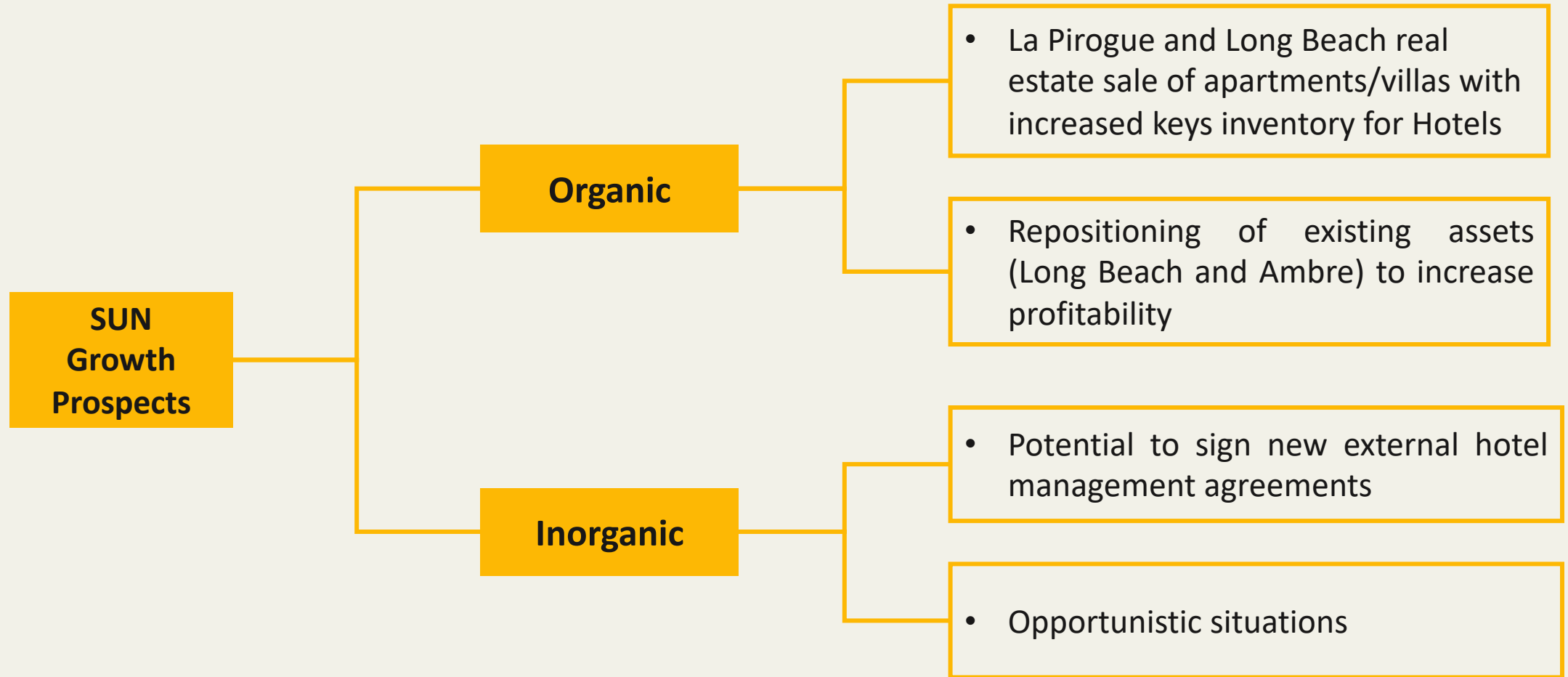
The NEW SUN Shareholders will Benefit from an Attractive Dividend

Item	Description
Annual Target Free Cash Flow to Equity	MUR 900m
Dividends assumed at 50% of FCF	MUR 450m
Number of Shares	174,364,026
Target Distribution per Share	MUR 2.50

Key Points

- SUN's objective remains to provide its shareholders with an annual dividend of MUR 2.50/share (adjusted for inflation)
- Any proceeds received from SUN's growth – both organic and inorganic – prospects (*next slide*) are likely to enhance the dividend payout

SUN Can Generate Incremental Profits





QUESTIONS & ANSWERS

sunlife

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Riveo – Business Model

Strategy

Real Estate Development with renovation to Enhance Value

Property Today

Business Plan



- No major renovation since opening in 2008
- Limited renovation in 2015

- Reposition Four Seasons as the leading luxury hotel in Mauritius
- Redesign all suites and villas, enhance F&B concepts
- Provisional Capex of c. **MUR 1.2bn** expected to be completed in 2025
- ADR & occupancy rates expected to improve GOP and EBITDA margins post renovation



- Opened in 1978
- Latest major renovation in 2015




- A renovation programme of **MUR 900m** to be completed in October 2024, in time for high/peak season
- Uplifting of all existing F&B concepts
- Selected room refresh & suites conversion
- RevPAR improvement projected
- Development of branded residences



- Ile aux Cerfs enhances the product offerings of both Four Seasons and Shangri-La
- Unique and unrivalled golf experience / destination

- Sustainable development projects in progress




Riveo – Recent Trading

9 months ended 31 March 2024				Portfolio
Operational Performance				
Number of Keys	133	192	N/A	325
Occupancy Rate	53%	58%	N/A	56%
ADR (MUR)	46,095	28,094	N/A	35,089
Financial Performance (MUR'm)				
Revenue	1,301.2	1,252.7	198.7	2,752.6
EBITDA	319.7	368.6	33.8	722.1
PAT	182.9	179.7	(24.1)	338.5
PAT/Key	1.4	0.9	N/A	1.0

Key Points

- As a portfolio, the Riveo hotels generated an EBITDA of MUR 722.1m, a slight decrease of 3.1% over the previous corresponding period in FY23
- Post completion of the hotel renovation programme, the ADRs and margins of Four Seasons and Shangri-La should improve significantly

The Riveo Hotels have a Healthy Balance Sheet




As at 31 March 2024				Portfolio
Debt Overview				
Total Debt (MUR'm)	803	838	N/A	1,641
Interest Rate	6.8%	7.8%	N/A	7.3%
Care MAU Rating	A (Stable)	A (Stable)	N/A	N/A
Currency	EUR/MUR	EUR/MUR/ GBP	N/A	EUR/MUR/ GBP
Debt-to-EBITDA	2.5x	2.3x	N/A	2.3x

**Based on EBITDA for the 9 months ended 31 March 2024*

Key Points

- Four Seasons's MIC convertible bonds of c. MUR 1.1bn are treated as equity
- The interest expense of both hotels should fall if, as expected, the ECB engages in further rate cuts and new lower interest rate debts being taken for the renovation

Riveo – Free Cash Flow Generation

Free Cash Flow Calculation (MUR'm) 9m YTD				Portfolio
EBITDA	319.7	368.6	33.8	722.1
WC Movements & Taxation	(25.1)	(15.3)	(8.1)	(48.5)
Cash Flow From Operating Activities	294.7	353.3	25.7	673.6
Maintenance Capex	(49.8)	(68.3)	(36.0)	(154.1)
Debt Servicing	(184.1)	(184.2)	-	(368.3)
Free Cash Flow to Equity	60.8	100.8	(10.3)	151.2

**Others include interco movement for Four Seasons and project capex for Shangri-La*

Key Points

- The hotels' annualised free cash flow of c. MUR 150m is expected to improve substantially post hotel renovation
- The hotel renovation programme shall be funded through a combination of (i) free cash flows generated, and (ii) additional debt

RIVEO – Luxury Operators to Drive Shareholder Value

Revenue Enhancement

- Luxury hotel operators to drive ADRs closer to brand standards

Asset Management

- *Sunlife*, as asset manager, to focus on delivery of the operators' business plan and devise cost synergies with SUN's assets

Debt Management

- Low to moderate levels of financial indebtedness with repayments in line with EBITDA

Hotel Valuation

- Trophy assets trade 'beyond economics'

Investment Rationale

- An attractive IRR driven investment over a period of 5-7 years

Sustainability at Sunlife



Environment

364,000 tons of CO2e total carbon footprint assessed

90% of emissions from guest travel, **17,000** tons from energy use

ZERO food waste to landfill

100% elimination of single-use plastics across operations

Carbon footprint baseline set with **Utopies** partnership



Social

Over **2,500** associates and **30%** variable workforce

82% success filling open roles and **205** internal promotions

50,000+ training hours invested in skills development

38% women in management and **27%** in senior roles

Rs **2.5 million** raised during Sunlife Charity Golf Competition for children with cancer

Launch of **Project Brilliant** focusing on VPV workshops



Governance

Robust Sustainability Governance structure established

EarthCheck certification achieved at 3 resorts

98% of vegetables and **40%** of fruits locally sourced

32% of promotions awarded to women, showing progress on gender equality

Range of sustainable **"Come Alive Experiences"** offered to guests

Introduction of **Izzy the Bee** as sustainability mascot

Sustainability Initiatives

Certifications

3 Resorts Certified



UN SDGs Initiatives

7 AFFORDABLE AND CLEAN ENERGY



- Project underway to set up solar farms with a total generating capacity of around 15MW to offset the CO2 emissions (est. at 17,000t) of both Sunlife and Riveo hotels
- Farms to be operational by January 2025

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Zero food waste to landfill
- Banning of single use plastics
- 50% reduction of waste to landfill by 2030
- Provide 100% green amenities by 2025
- 75% of F&B locally sourced

6 CLEAN WATER AND SANITATION



- Centralised laundry system to reduce water consumption
- 4 dedicated water treatment plants
- 100% irrigation by grey water
- Objective: reach industry leading water efficiency levels by 2030

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The Scheme: Key Targets



- Dissenting shareholders may elect for SUN to buy them out. Any shares bought back will be redeemed and cancelled by the company
- Buyout price per share set at the volume weighted average of SUN's share price over a trading window* of 30 days

**Trading window defined as a period of 30 trading days ending five (5) Business Days before the date of the shareholders' meeting*

Key Takeaways

- 1** The purpose of the split is to sharpen the strategic focus and to provide the market with clarity on SUN's two distinct business models. This should unlock shareholder value by reducing the discount to NAV
- 2** SUN shall provide its shareholders with an attractive annualised dividend yield
- 3** RIVEO is a medium to long term IRR driven investment
- 4** The split shall be effected through a Scheme of Arrangement, which shall be subject to a number of approvals



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Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Group to be materially different from any future results, performance, or achievements expressed or implied in such forward-looking statements.

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