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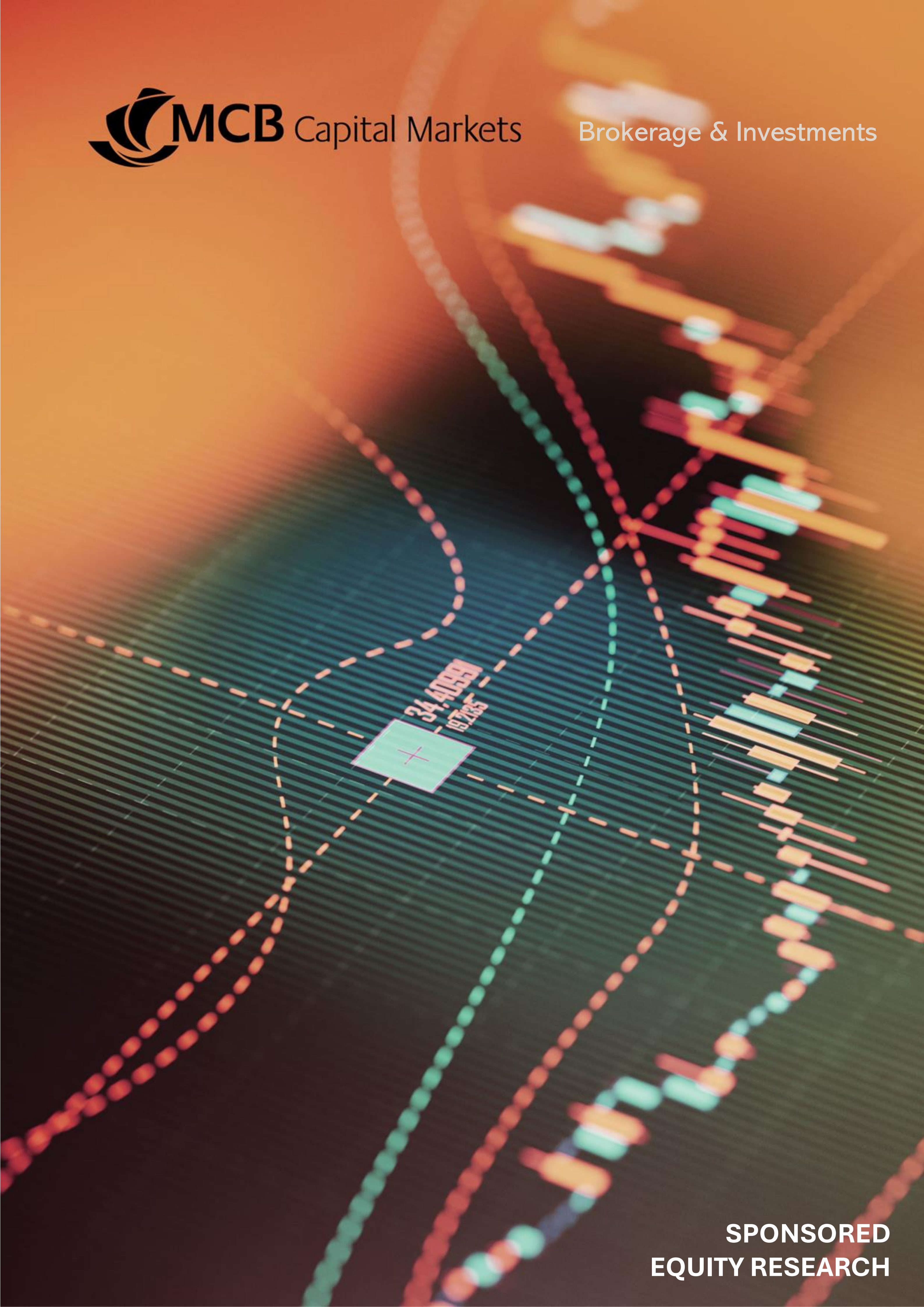

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CIEL Limited (Report Update): Maintaining our OVERWEIGHT rating

Recommendation
OVERWEIGHT

Closing Price (21 Mar 2025)
MUR 9.70

Target Price (1-Year)
MUR 12.15 (+23.5%)

Ticker
CIEL.N0000

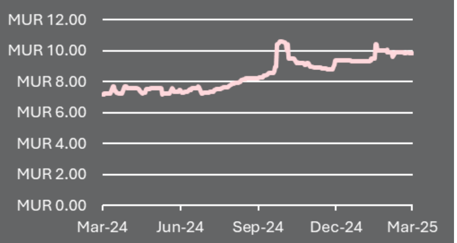
ISIN
MU0177I00025

52-Week High - Low
MUR 10.60 – 7.20

Annual Dividend FY24
MUR 0.32 (3.3% yield)

Market Capitalisation
MUR 16.4 bn

No of Shares in issue
1.694 bn



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CIEL Limited Report Update | Half year ended 31 December 2025 (“H1 FY25”)

Earnings Update

- EBITDA and PAT declined by 10.8% and 26.9% respectively reflecting weaker profits in the Hotels & Resorts segment from renovation-related disruptions, higher wage costs in line with recent regulatory changes, and margin pressures, as well as lower profits from the CIEL Agribusiness cluster. However, given that the group’s revenues, driven primarily by the Healthcare, Finance and Textile clusters, grew by 6.0% during the same period and exceeded our initial forecasts, we expect earnings to normalise in the medium term.

- CIEL increased its stake in C-Care International (CCI) to reinforce its positioning as a regional East African healthcare operator. CCI’s healthcare operations in Mauritius, Uganda, and Madagascar emphasise CIEL Healthcare’s focus beyond Mauritius. CCI also completed the acquisition of a chain of medical laboratories in Madagascar to expand its footprint in the country. This move increases its Malagasy portfolio to three labs and provides a foundation for future expansion in Madagascar.

- CIEL unveiled its ambition to enter the medical devices manufacturing sector in India. This strategy aims at leveraging the manufacturing expertise in the region built through CIEL Textile and positions CIEL on an unchartered path of a high-margin, high-demand activity with potentially significant growth potential. In our view, while this initiative aligns with CIEL’s broader strategy of diversifying beyond textile, key partnerships and non-negligible capex will be critical to the success of making India a dual growth engine for the Group.

Conclusion / Valuation Implication

- We maintain our **OVERWEIGHT** recommendation on CIEL on the basis that (i) our assumptions on the key growth drivers remain unaffected and (ii) our TP of MUR 12.15 excludes any potential upside from management’s plans regarding medical device manufacturing in India.

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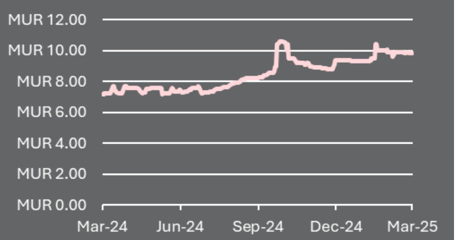

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Cluster Highlights

- **Healthcare**: the cluster posted a 20% revenue growth compared to H1 FY24, putting it on track to exceed our forecast for FY25 by 4%. The growth was driven by the strong performance of the hospitals in Mauritius and Uganda despite rising competition, alongside effective cost controls which supported a 22.5% improvement in PAT to MUR 196m compared to H1 FY24 (MUR 160m). In our view, this performance underscores CCI's ability to defend its market-leading position in Mauritius while seizing expansion opportunities in Uganda and Madagascar.

- **Textile**: the cluster recorded 5% and 18% improvements in revenue and EBITDA respectively compared to the same period in the previous FY, benefiting from demand in India for its woven segment, as the global manufacturing shift from China continues. We anticipate additional margin improvements if CIEL Textile is able to reverse losses from the Knits segment.

- **Finance**: revenue and EBITDA grew by 9.3% and 4.2% respectively, supported by steady expansion at BNI Madagascar. In our view, BNI retains the potential to capture additional market share given Madagascar's low banking penetration. However, its thin Capital Adequacy Ratio (CAR) buffer remains a constraint that may force management to balance aspirations for loan book growth and future dividends with capital requirements. We also expect to see improvements in the top and bottom lines of Bank One further to the recent change in leadership.

- **Hotels and Resorts**: as anticipated, revenue and EBITDA for the cluster fell short of the same period in FY24 by 2.3% and 21.5%, respectively. This is due to ongoing renovation projects and rising costs that were previously communicated by management, and which we also factored in our projections for FY25. Based on H1 FY25 results, CIEL Hotels & Resorts remains on track to outperform our revenue projections, and we expect a rebound as Average Daily Rates (ADR) and occupancy levels improve post-renovations.

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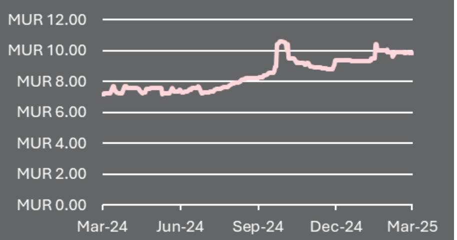

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Cluster Highlights

- **Agribusiness**: the normalisation of global sugar prices from the recent peak in 2023 – 2024 has impacted the financial performance of Alteo and Miwa. In addition, supply chain challenges in Kenya (Transmara) and unfavourable prices in the protected local sugar market in Tanzania (TPC) impacted performance of CIEL Agro and drove a 42% decline in its contribution to CIEL Group's results. In our view, it is necessary for management to future-proof against operational risks that have impacted Miwa's financial performance in the last 12 – 18 months to achieve consistent results while expediting Alteo's real estate pivot to neutralise against shocks from the volatile sugar commodity market.

- **Properties:** the potential of CIEL Properties is contingent on the successful execution of Ferney Smart City and new projects in Evolis. The absence of one-off asset sales this year and high development costs weighed on financial performance in the period. However, in our view this does not necessarily have an impact on the long-term potential of CIEL Properties.

For a detailed analysis of our projections, as well as the growth prospects and risks associated with each cluster, please refer to our Initiation Report.

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