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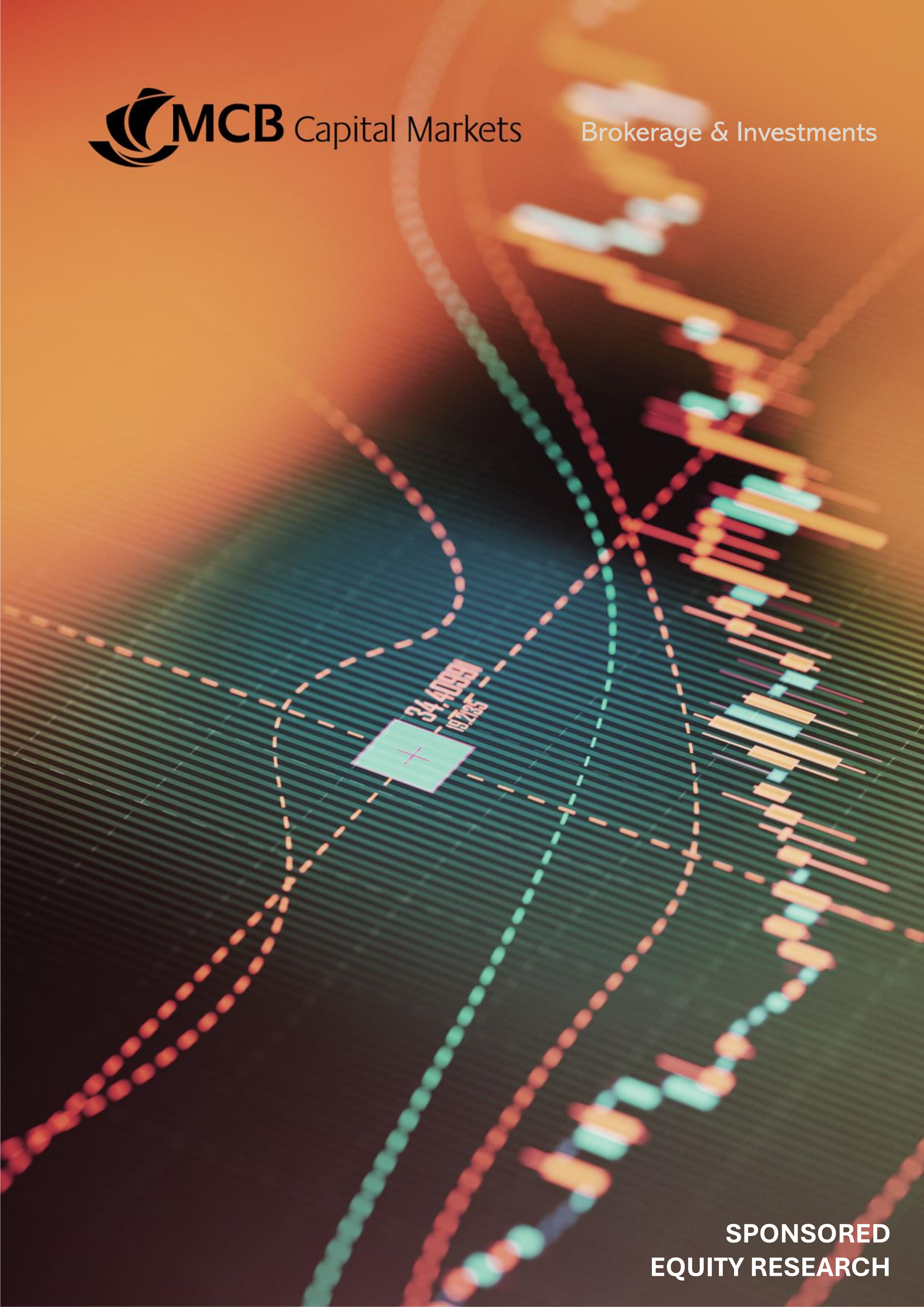

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CIEL Limited (Report Update):

Maintaining our **OVERWEIGHT** rating | TP: **MUR 11.05**

Recommendation
OVERWEIGHT

Closing Price (29 May 2026)
MUR 7.82

Target Price (1-Year)
MUR 11.05 (+41.3%)

Ticker
CIEL.N0000

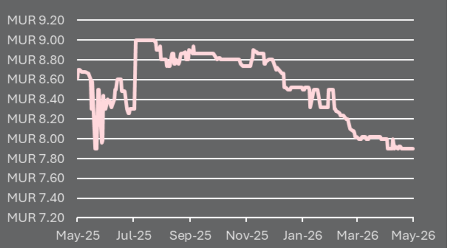
ISIN
MU0177I00025

52-Week Low - High
MUR 7.82 – 9.88

Annual Dividend FY25
MUR 0.32 (4.1% yield)

Market Capitalisation
MUR 13.3bn

No of Shares in issue
1.697 bn



Main authors:

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CIEL Limited Report Update | 9 months ended 31 March 2026 ("9M FY26")

Earnings Update: Sustained Growth Across Core Clusters; TP Revised Lower on account of Geopolitical Headwinds

- The Group's 9M FY26 results reflect robust operational delivery across Hotels & Resorts, Healthcare and Finance, against a widening drag from the Textile cluster, higher effective tax rate (23% vs 21%) and lower contribution from associates.

- Group revenue grew by 7.1% to MUR 30.0bn (9M FY25: MUR 28.0bn). The Hotels & Resorts cluster was a key contributor, with the Sunlife portfolio delivering an 11.5% RevPAR uplift alongside incremental real estate revenues from the La Pirogue Residences development. Healthcare continued to expand across both Mauritius and Uganda, while the Finance cluster benefited from improved net interest margins at BNI Madagascar. Performance was partly offset by softer results in the Textile cluster, where operations in Mauritius and Madagascar continued to face headwinds.

- EBITDA rose by 12.0% to MUR 5.9bn (9M FY25: MUR 5.3bn), with EBITDA margin expanding to 19.7% (9M FY25: 18.9%), reflecting cluster-wide efficiency. The margin expansion is particularly notable given that it was achieved despite the underperformance of the Textile cluster.

- PAT attributable to shareholders declined by 11.7% to approximately MUR 1.4bn (9M FY25: MUR 1.6bn). The compression reflects three key headwinds: (i) net finance costs rising by 11.1% to MUR 874m, driven by higher borrowings linked to C-Care International Limited ("CCIL") consolidation, hotel renovations and Healthcare capex, (ii) share of profits from associates and JVs declining by 21.0% to MUR 362m, largely on account of lower Bank One contributions (MUR 201m vs. MUR 253m in 9M FY25) and a weaker Alteo result and (iii) a 200bps increase in the effective tax rate to 23%.

- **Conclusion/Valuation Implication**

We maintain our **OVERWEIGHT** rating on CIEL Group with a revised target price of **MUR 11.05.** Our revised TP is based on: (i) ongoing geopolitical tensions in the Middle East, (ii) resulting inflation adding further pressures on interest rate and impacting short to medium-term earnings, and (iii) uncertainty surrounding the longer-term renewal of the AGOA.

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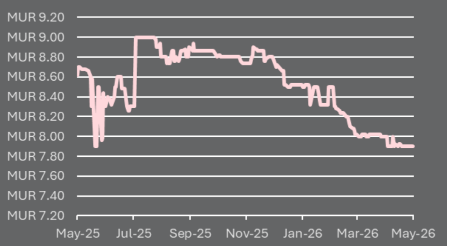

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CIEL Limited Report Update | 9 months ended 31 March 2026 ("9M FY26")

Last year's budget was fiscally aggressive with the introduction of the Fair Share Contribution and Alternative Minimum Tax measures. We expect Ciel's earnings trajectory over the medium-term to be highly dependent on the upcoming measures to be announced in the national budget in Mauritius this week. The forthcoming budget will be formulated against a materially more challenging macro backdrop with rising inflationary pressures driven by sustained geopolitical tensions, elevated global energy prices and currency depreciation pressures on import-dependent economies such as Mauritius. Any further broadening or deepening of fiscal measures in the next budget would exert additional pressure on attributable earnings.

CIEL Limited (Report Update – 9M FY26):
Maintaining our **OVERWEIGHT** rating | TP: **MUR 11.05**

VALUATION SUMMARY: SUM-OF-THE PARTS APPROACH

Ciel Textile	7.783
+	
Ciel Hotels & Resorts	7.267
+	
Ciel Finance	3.503
+	
Ciel Healthcare	5.308
+	
Ciel Properties	3.919
+	
Ciel Agro	2.841

	30.625
Less Holdco Net Debt And Holdo costs	3.845
EQUITY VALUE	**26.780**
Conglomerate + Minority Discounts	30%
Target Valuation	**18.746**
No of Share in issue	1.697
Target Price per Share	**MUR 11.05**

Our Valuation
Target Price per Share **MUR 11.05**
Implied PE Multiple **8.6x**

Upside **38.1%**

Based on share price of MUR 8.00 (31 Mar 2026)

All figures in MUR billion except stated otherwise

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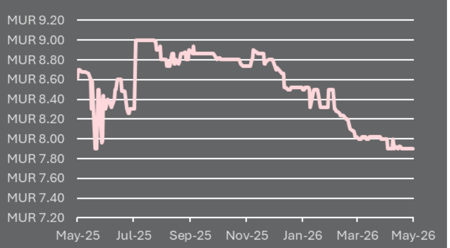

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Cluster Highlights

Hotels & Resorts:

9M Update

- The cluster delivered a notable performance, with revenue rising by 23.3% to MUR 8.1bn (9M FY25: MUR 6.6bn), driven by an 11.5% uplift in RevPAR across the Sunlife portfolio, incremental real estate revenues from La Pirogue Residences and the progressive ramp-up at Riveo following the reopening of key assets. EBITDA rose by 38.0% to MUR 2.4bn supported by strong operating leverage at Sunlife. A PAT of MUR 1.1bn (+39.6%) was achieved despite a materially heavier tax charge.

Key Risks & Outlook

- The US–Iran conflict resulted in a MUR 52m revenue loss for Sunlife in March alone, driven by flight cancellations through the Middle East hub.

- As indicated by management, forward bookings for Q4 FY26 are lower compared to the prior year and April 2026 tourist arrivals in Mauritius declined by approximately 4% y/y.

- Dubai serves as a critical transit hub for European and Asian visitors to Mauritius and thus any further disruption to this corridor would not simply be a cyclical headwind but a potential repricing of Mauritius as a destination.

- The cluster is tracking 16% above our FY26 revenue projection through nine months.

- Management retains a constructive full-year outlook but our FY26 projections remain conservatively set. Monthly tourist arrival data will be the key variable to monitor.

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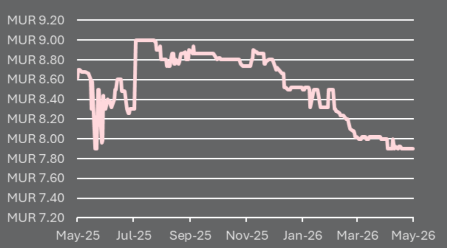

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Cluster Highlights

Textile:

9M Update

- Textile faced a challenging operating environment, with revenue falling by 6.0% to MUR 11.6bn. EBITDA fell by 37.4% to MUR 795m and PAT declined by 61.1% to MUR 223m. Operations in Mauritius and Madagascar suffered from lower production volumes and the erosion of AGOA-linked margin advantages. The Asian operations, now representing 55% of cluster revenue (9M FY25: 50%), remain the main earnings driver, contributing MUR 491m in EBITDA and supporting the cluster's overall profitability as regional operations work through the recovery phase.

Key Risks & Outlook

- AGOA, which was renewed last year, is set to expire in December 2026, with no clear legislative path to its longer-term renewal currently visible.

- For Mauritius and Madagascar operations, which depend on preferential US market access, non-renewal would compound already-compressed margins and ongoing political instability in Madagascar.

- The cluster is tracking 9% below our FY26 revenue estimates. The anticipated post-AGOA margin recovery embedded in our projections has not yet materialised.

- Our medium-to-long term conviction on the cluster rests on the Indian operations. India's recently signed trade agreements with the UK and the Eurozone represent a meaningful long-term catalyst, opening new export channels with preferential terms.

- Management's focus on AI-driven yield improvement and automation across the Asian platform should progressively drive sustained margin recovery over the medium term.

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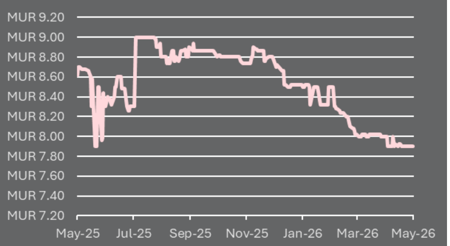

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Cluster Highlights

Finance:

9M Update

- The Finance cluster delivered steady operational growth, with revenue rising by 8.7% to MUR 5.0bn and EBITDA increasing by 16.9% to MUR 1.8bn, driven by enhanced net interest margins, improved non-interest income and a lower funding cost at BNI Madagascar. PAT remained broadly flat at MUR 1.3bn, as underlying improvements were absorbed by higher Expected Credit Loss provisions at BNI and a weaker Bank One contribution (MUR 201m vs. MUR 253m in 9M FY25), impacted by higher credit provisioning and elevated tax charges.

Key Risks & Outlook

- Ongoing political uncertainty in Madagascar represents the principal medium-to-long-term risk to BNI's loan book quality and economic activity.

- BNI's robust domestic retail franchise provides resilience and the elevated rate environment provides a favourable margin tailwind. However, a deterioration in Madagascar's political situation would be a meaningful negative read-across for the cluster.

- The cluster is tracking approximately 16% above our FY26 revenue projection, driven by earlier-than-anticipated loan book expansion in BNI Madagascar.

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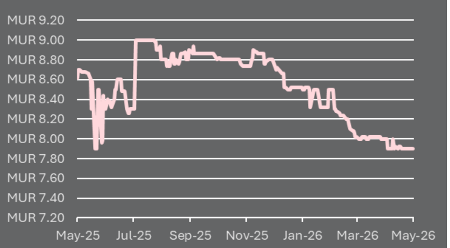

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Cluster Highlights

Healthcare:

9M Update

- The Healthcare cluster, the most reliable earnings contributor in the portfolio, delivered another quarter of consistent, high-quality growth. Revenue increased by 18.1% to MUR 5.0bn, underpinned by sustained patient volume growth, laboratory services scaling and capacity expansion at Wellkin Hospital alongside accelerating activity in Uganda. EBITDA rose by 25.2% to MUR 1.0bn, demonstrating effective cost management and its PAT rose by 29.1% to MUR 426m.

Key Risks & Outlook

- The primary near-term risk is the intensification of competitive dynamics in the Mauritian private healthcare market, where new entrants and capacity additions by existing operators could exert pricing pressure on C-Care's Mauritius business, which anchors the cluster's profitability.

- However, we expect management to respond through investment in clinical quality differentiation and specialist services.

- Madagascar political risk remains a secondary, lower-probability tail risk.

- Based on current trajectories, Uganda is projected to reach a scale comparable to the Mauritius business over the next three to five years, underpinned by forthcoming clinic network acquisitions and the structural tailwind of a large, underserved population with rising demand for quality private healthcare.

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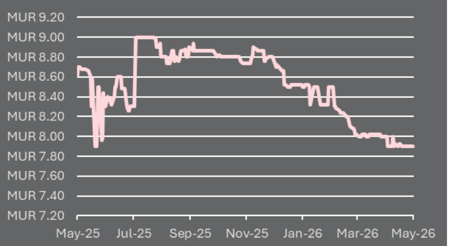

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Cluster Highlights

Properties:

9M Update

- The Property cluster returned to profitability, with revenue rising by 19.2% to MUR 279m, driven by sustained rental income growth from Evolis. The Ferney Farm Living project has been completed, with plot deliveries starting in Q4 FY26, creating a near-term earnings catalyst. Infrastructure development is projected to unlock 80 hectares of additional residential land parcels within the broader Ferney ecosystem.

Key Risks & Outlook

- Management targets expanding Evolis' GLA over the next three to four months, with progressive repricing toward market rates expected to drive yield expansion.

- The cluster's return to profitability is encouraging, although earnings remain partly project-driven and therefore volatile.

- That said, the business is gradually transitioning toward a more balanced model, combining recurring rental income with selective, higher-margin development gains, which we view as a positive shift in earnings quality.

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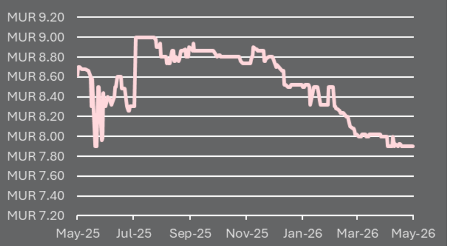

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Cluster Highlights

Agro:

- Share of profit for the period increased to MUR 190m (9M FY25: MUR 184m). Miwa Sugar delivered a standout performance, with a PAT of MUR 82m (9M FY25: MUR 47m), driven by a 39% increase in TPC's own sugar sales volumes and strong pricing across both Tanzania and Kenya. In addition, MIWA also completed the acquisition of Tereos' 40% in Sucrière des Mascareignes Limited ("SML"). Alteo delivered a weaker performance, primarily due to the absence of prior-year property disposal gains. MIWA's distillery project at TPC is on track for commissioning by end-2026, providing meaningful revenue diversification optionality for the cluster.

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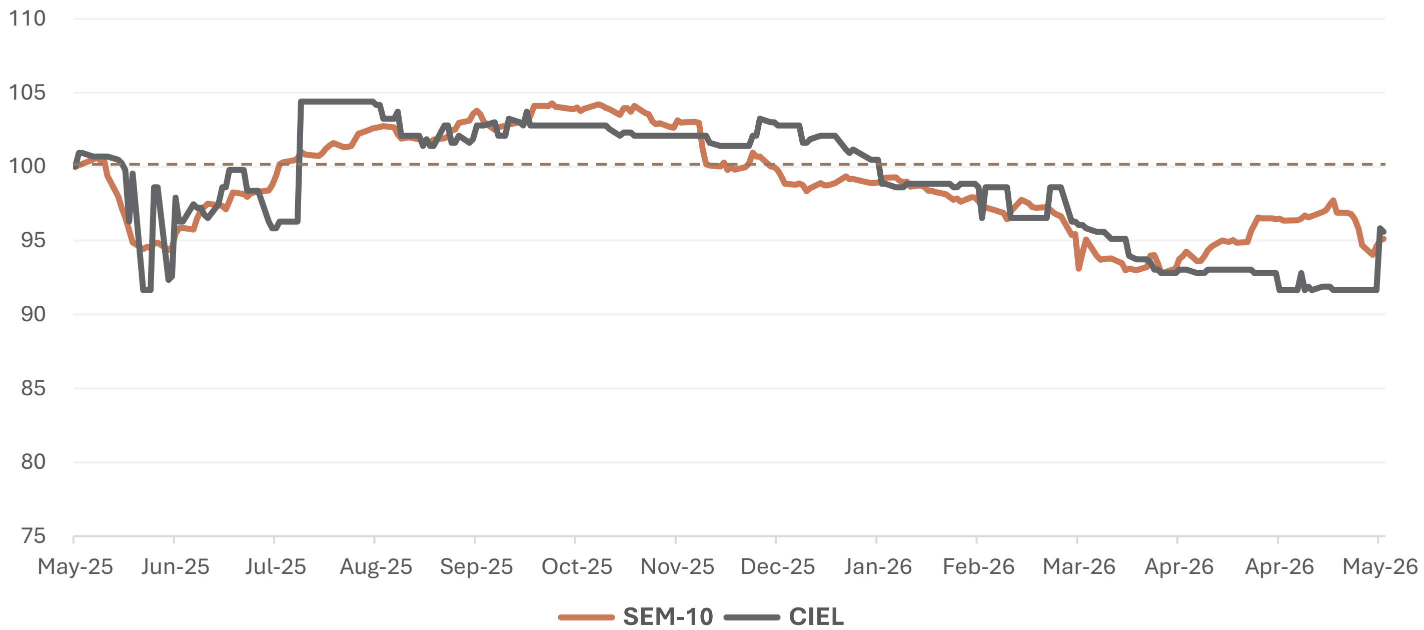
APPENDIX 1: CONSOLIDATED PROJECTIONS (CIEL)

Consolidated Projections - CIEL								
In MUR m	**2023A**	**2024A**	**2025A**	**2026F**	**2027**	**2028**	**Historical CAGR**	**Projected CAGR**
Revenue	35,408.6	35,175.7	38,030.0	39,732.4	40,778.3	44,498.5	3.6%	5.8%
EBITDA	7,084.2	7,480.0	7,211.7	8,266.5	8,796.4	9,202.6	0.9%	5.5%
EBITDA Margin (%)	*20.0%*	*21.3%*	*19.0%*	*20.8%*	*21.6%*	*20.7%*		
PAT	4,302.0	5,038.0	3,813.1	4,104.5	4,225.8	4,829.6	-5.9%	8.47%
PAT Margin (%)	*12.1%*	*14.3%*	*10.0%*	*10.3%*	*10.4%*	*10.9%*		
PAT Attributable	2,653.3	2,807.4	2,167.2	2,035.0	2,119.2	2,417.4	-9.6%	9.0%

Note: PAT And PAT Attributable includes projected Eliminations & Unallocated costs, Ciel company & Others

Source: MCBSL Analysis

APPENDIX 2: Share Price of CIEL vs SEM10 (Rebased 100)



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