INSIGHTS FROM OUR **GROUP FINANCE DIRECTOR**

CIEL entered the financial year from a position of strength with a very healthy balance sheet, which proved key as we navigated a world of both uncertainty and opportunity.

Geopolitical tensions, supply chain disruptions, US tariff adjustments and higher financing costs tested many global industries, yet our diversified portfolio once again demonstrated resilience and the capacity to deliver sustainable value.

L. J. Jérôme **De Chasteauneuf**

INSIGHTS FROM OUR GROUP FINANCE DIRECTOR (CONT'D)

Guided by our diversified model and disciplined execution, the Group has not only absorbed volatility but has slightly increased portfolio value by 4%, reinforcing sustainable growth across geographies and clusters. Our results this year reflect the balance across our businesses, with each cluster contributing positively despite varied market conditions.

At CIEL, we recognise that purpose and performance go hand in hand, and that value creation must be measured through both financial and non-financial dimensions that are integral to our long-term strategy. In this report, my focus is on the financial measures that reflect discipline and sustainable growth: Return On Capital Employed ("ROCE"), EBITDA growth and margin, profitability ("EPS"), profit attributable to owners, and Free Cash Flow. Equally important is our ability to convert EBITDA into cash, providing the capacity to fund strategic investments, debt repayments and dividends. These work alongside the Group's broader set of non-financial indicators, including those related to sustainability, people, and culture. By tracking these indicators rigorously, we not only remain accountable but also signal to our stakeholders how we define value creation in a purpose-led organisation.

We launched our Sustainable Finance Framework ("SFF") during the year which now anchors CIEL's approach to capital deployment, linking investment decisions directly to measurable sustainability outcomes. The SFF provides a platform to accelerate our ESG journey and demonstrates how financial innovation and ESG commitments can reinforce each other. As part of this framework, CIEL issued a Sustainability-Linked Bond of MUR 1.45 bn, the first of its kind in Africa by a diversified investment holding company. This bond links our financing strategy directly to sustainability outcomes such as renewable energy, water management, green buildings, community investment and gender diversity initiatives, underscoring our commitment to embedding ESG principles in value creation. Further details on our sustainability metrics and achievements can be found in the **Sustainability Journey** section.

While Group results moderated slightly compared to the 2024 financial year, the Group maintained robust fundamentals and delivered a resilient performance across clusters. This was underpinned by a solid EBITDA margin of 19.0% (FY24: 21.3%), reflecting the temporary closures in Riveo's portfolio for renovation and the absence of one-off gains from land sales in the Property cluster. Profit after tax reached MUR 3.8 bn, with profit attributable to owners at MUR 2.2 bn, translating into earnings per share of MUR 1.28. Free Cash Flow of MUR 2.2 bn highlights continued cash generation, though lower than last year due to these closures, margin contraction at BNI in Madagascar, and higher working capital requirements in Textile. Net interest-bearing debt closed at MUR 14.8 bn, a 30% increase from last year, mainly reflecting the consolidation of investments, the major Healthcare CAPEX programme, and refurbishment projects in Hotels & Resorts.

Despite this, CIEL maintained a prudent gearing ratio of 29.4% and a Debt to EBITDA ratio of 2.0x. A detailed analysis is available in the **Financial Overview** section.

At a cluster level, Hotels & Resorts remained resilient, with Sun*life* continuing to underpin performance while Riveo positioned itself for future growth, with its renovation programme coming to an end by November 2025. In Textile, the Indian operations drove steady revenue growth despite softer global markets, with disciplined cost control sustaining margins. Finance remained the Group's highest-return cluster, anchored by BNI Madagascar, though margins were compressed by macroeconomic and regulatory headwinds. Healthcare once again stood out as a growth driver, delivering double-digit EBITDA and profit growth supported by demand for quality care and the benefits of recent CAPEX investments. The Property cluster progressed with steady rental income, while long-term projects such as The Ferney Tropical Agrihood advanced, with the Farm Living project scheduled for delivery in 2026. The Agro cluster's contribution was affected by weaker sugar prices across its markets, though this was partly offset by an improved land sales pipeline. For more details, see the dedicated **Cluster Sections**.

This year, we also carried out the Group-wide risk voting exercise, a cornerstone of our Risk Management Policy, conducted on a three-year cycle. This structured process engages Board members and leadership teams across all clusters to reassess the Group's top risks in light of the evolving external landscape in order to refine our strategic priorities. This process not only sharpens our risk awareness but also fuels innovation by ensuring that opportunity identification becomes an integral part of how we manage risk across the Group. Please refer to the dedicated **Risk Section** for more details.

As we embark on the next phase of our journey, we remain committed to purposeful growth, leveraging on our strong balance sheet, disciplined execution and a clear strategic roadmap across the regions where we operate. Financial performance remains the foundation upon which we create enduring value for all our stakeholders, including shareholders, employees, customers, business partners and communities. By staying true to our purpose and values, we remain confident in our ability to sustain momentum and unlock new opportunities in an ever-changing world.

L. J. Jérôme De Chasteauneuf
Group Finance Director