Company/Equity	**CIC.N0000**
1/14/2026	**CIC.X0000**

Voting

Share Price (LKR)	**37**
Target Price (LKR)	**46.49**
Ticker	CIC.N0000
Industry	Materials
Market Cap. (LKR Mn)	53,946
Market Cap. (USD Mn)	174.02
Issued Shares (mn)	1458
Free Float (%)	46.7%
Exchange Rate (LKR/USD)	310

Non Voting

Share Price (LKR)	**28.2**
Target Price (LKR)	**39.51**
Ticker	CIC.X0000
Market Cap. (LKR Mn)	12,335
Market Cap. (USD Mn)	39.79
Issued Shares (mn)	437.4
Free Float (%)	96.6%
Exchange Rate (LKR/USD)	310

Top 10 Shareholders- Voting

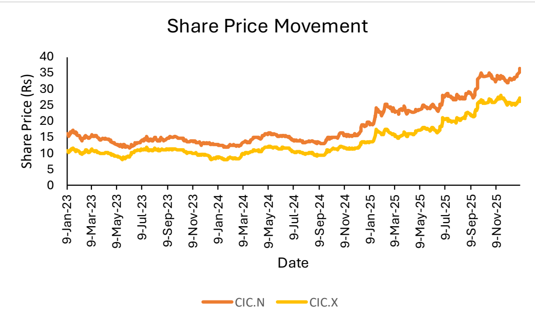
As at 06/11/2025

Paints & General Industries Limited	53.31%
Employee's Provident Fund	9.06%
Chacra Capital Holdings (Private) Limited	4.49%
Citibank Newyork S/A Norges Bank Account 2	1.72%
Asia Securities (Private) Limited - Trading Account	1.63%
Lynear Wealth Dynamic Opportunities Fund	1.46%
Mr. R.S.H. Nanayakkara & R.M. Nanayakkara	1.18%
Ms. J. Ambani	1.14%
Mr. H. Yusoof	1.09%
Ranavav Holdings (Private) Limited	1.07%

Top 10 Shareholders- Non Voting

As at 06/11/2025

Employee's Provident Fund	12.70%
Chacra Capital Holdings (Private) Limited	7.07%
Paints & General Industries Limited	3.32%
Mr. H. Yusoof	3.25%
Mr. W.G.U.I. Ranaweera	2.18%
Ms. D. Ramesh & Mr. P. Ramesh	1.98%
Union Assurance PLC - Universal Life Fund	1.18%
Winsland Reality (Private) Limited	1.11%
Adamjee Lukmanjee & Sons (Private) Limited	1.07%
Ranavav Holdings (Private) Limited	1.05%



A quiet compounder with accelerating momentum ...

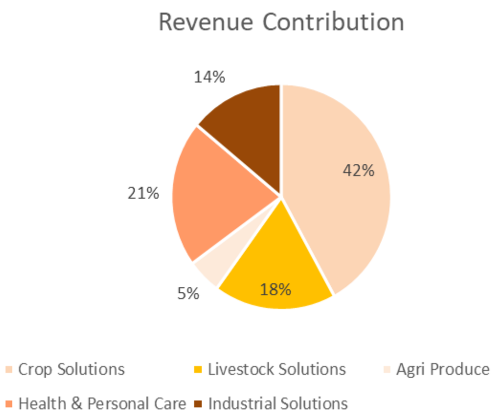
CIC Holdings PLC (CIC), a conglomerate operating in growth sectors of Advanced Agriculture & Livestock, Industrials and Healthcare is either the market leader or the close second in all the sectors it operates in. Also, its associate investments are in blue-chip, JKH, the largest market cap stock in the Colombo bourse and the privately held paints giant Akzo Noble's Sri Lanka operations.

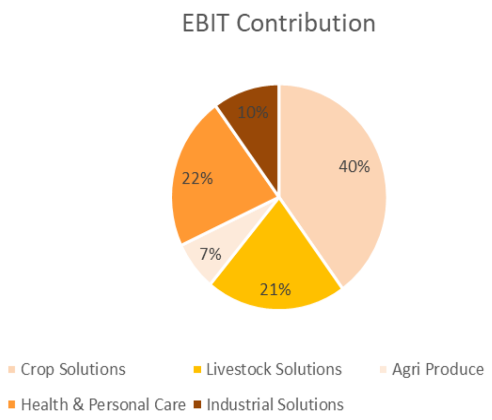
The company enjoys ~25% of the paints market, ~40% of the certified seed paddy market, >25% of the fertilizer market, 6% pharmaceutical and 30% medical equipment market and a strong position in the commercial poultry and feed industry. Underpinned by the revival in the construction sector supported by strong tailwinds following the Ditwah cyclone impact, growth in Crop Solution, Livestock Solution and rising incomes driving demand for pharmaceuticals is poised to ensure CIC's growth trajectory as evidenced by its 17% YoY growth in recurring net profit in FY25, 12.2% YoY growth in 1QFY26 net earnings and 28.5% YoY growth in 2QFY26 net profit.

While owning ~6.7% of JKH, and treating the investment as an associate, enables CIC to be a passive play on the largest conglomerate and listed stock in the country. With bettering fortunes, JKH's contribution to CIC's bottom-line would become meaningful FY27e onwards.

We conservatively forecast CIC's net profit to grow by 35% YoY in FY26e and a further 25% YoY in FY27e. Enjoying dominant market positions in all sectors of its operations we believe CIC's voting share should attract a price multiple of a minimum 12x and trade at >LKR46, while the Non-Voting share remains more attractive, expected to trade at LKR39.4, with a maximum of 15% discount to the voting share. **BUY.**

(March Y/E)	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Net Revenue (in Mn's)	76,424	83,292	95,680	108,275	120,182
Growth YoY %	*12%*	*9%*	*15%*	*13%*	*11%*
EBIT (in Mn's)	10,674	10,436	13,931	16,247	17,747
PBT (in Mn's)	13,517	9,211	13,111	15,835	18,010
Net Profit (in Mn's)	9,743	5,442	7,342	9,089	10,590
Growth YoY %	*25%*	*-44%*	*35%*	*24%*	*17%*
EPS	5.14	2.87	3.87	4.80	5.59
Growth YoY %	*25%*	*-44%*	*35%*	*24%*	*17%*
DPS	0.5	0.5	0.5	1.0	1.0
NAVPS	18	21	26	27	31
PE(x) - Voting	7.20	12.89	9.55	7.72	6.62
PE(x) - Non Voting	5.49	9.82	7.28	5.88	5.05
PBV (x) - Voting	2.01	1.75	1.45	1.37	1.19
PBV (x) - Non Voting	1.5	1.3	1.1	1.0	0.9
DY % - Voting	1%	1%	1%	3%	3%
DY % - Non Voting	0.02	0.02	0.02	0.04	0.04
ROE %	33.7%	14.5%	16.6%	18.3%	19.2%





CIC retains a **dominant market position in Sri Lanka's crop solutions industry**, supported by an integrated portfolio spanning fertilizers, seeds, and crop protection solutions. CIC's market dominance in Sri Lanka's crop solutions industry is supported by an integrated portfolio spanning fertilizers, seeds, and crop protection solutions. The Group commands approximately **25% market share in conventional fertilizers** and **over 35% in next-generation compound fertilizers**, while **CIC Seeds** remains the country's largest supplier of certified seed paddy with a **~40% market share**. This entrenched leadership positions, CIC, to structurally benefit from **food security imperatives, rising agricultural productivity, and the shift toward sustainable commercial farming practices**, underpinning long-term growth visibility. Further the aftermath of the **Ditwah cyclone has provided strong tailwinds** for CIC's Agri sector, with rising demand for seeds, fertilizer and agro-chemicals supported by the Government sponsored financial aid packages to revive the agriculture sector.

Following the sharp contraction in 2022 triggered by the temporary fertilizer ban, the agricultural sector was on a **steady recovery trajectory, even prior to the added thrust provided by the government aid packages to the farmers** who were affected from the cyclone. Although fertilizer market liberalization has intensified competition and pressured margins, **significant volume headroom remains**, with historical fertilizer demand exceeding **600,000 MT** versus the current market size of approximately **525,000 MT**. And CIC is still operating well below its maximum capacity. According to urea import data from the Central Bank report, total urea imports in 2025 and 26 are expected to exceed 650,000 MT per annum, which is significantly higher than the previous year's 507,000 MT, representing a 35% year-on-year growth. Currently, CIC operates at 118,436 MT, but it has the potential to increase production capacity up to 219,000 MT. Importantly, **private-sector participation has expanded meaningfully**, while government involvement in procurement and subsidies has receded post-crisis. The **agrochemicals segment**, growing at a **26% CAGR**, represents an additional growth lever, supported by revival in agriculture and growing demand for food production. Stabilization in global fertilizer prices should also provide **margin tailwinds**, with agrochemicals expected to be a key contributor to agribusiness profitability.

CIC's **Livestock Solutions segment** is a leading **fully integrated poultry solutions platform**, offering end-to-end capabilities across feed milling, day-old-chick (DOC) production, poultry farming, veterinary services, and feed additives. **Feed milling accounts for ~59% of segment revenue and ~80% of segment profits**, highlighting its earnings significance. Structural demand drivers remain compelling: Sri Lanka's per capita chicken consumption still at <12 kg, has much catch-up to do, to come closer to Asian neighbors enjoying demand dynamics of ~1.5x. The story remains the same for per capita egg consumption in Sri Lanka (currently at ~141) with strong demand outlook underpinned by continued urbanization, rising disposable incomes, increasing tourist arrivals, and greater commercialization of poultry farming.

The **Healthcare segment** is anchored by CIC's pharmaceutical agency business, contributing **~53% of segment revenue and ~51% of profits**, alongside local manufacturing operations. The Group imports and distributes pharmaceutical products while manufacturing pharmaceuticals and herbal healthcare products through **Link Natural Products (Samahan Brand)**, complemented by a medical devices' portfolio spanning orthopedic, maxillofacial, and wound-care solutions. **Improving disposable incomes**, driven by moderating inflation and wage growth, coupled with the **rising incidence of non-communicable diseases and an ageing demographic**, are expected to drive sustained demand for pharmaceuticals. Additionally, **policy support for domestic pharmaceutical manufacturing and Ayurveda-based products** provides incremental growth optionality for CIC specially under the established "Samahan" brand.

CIC's **Industrial Chemicals and Specialty Packaging segments** support Sri Lanka's industrial ecosystem, with the Group holding a **>25% market share in paints**. The construction sector has entered a **growth phase**, supported by the resumption of stalled public and private projects, particularly in housing and condominium developments—alongside **moderate interest rates (AWPLR <10%)**, a somewhat stable currency, and declining input costs. These dynamics should lift demand for CIC's construction chemicals, binders, paints, and related materials while the reconstruction phase following the damage caused by the cyclone provides added demand for CIC. Furthermore, a much-expected slowdown in the apparel sector remains unwarranted, while the export orders are intact and the margin squeeze is mostly absorbed by the apparel manufactures while Packaging material and dye providers such as CIC faces minimum downside risk.

From December 2023, CIC began **equity accounting for John Keells Holdings PLC as an associate** (and this is in addition to equity accounting for its paints associate **Akzo Nobel Paints Lanka Pvt Ltd** in which the group owns 49%), with CIC group holding **~6.7% of JKH's issued share capital**. We expect ~9% of CIC's PBT in FY26e to be from equity accounted associates with the paints associate accounting for the larger contribution underpinned by the construction sector rebound. However, we believe JKH also is in a slow and steady growth trajectory while somewhat held back due to some of its sectors still lagging behind in contrast to the diversified CIC which is experiencing strong growth in all its sectors. For JKH: (i) a recovery in consumer demand will benefit Retail while the star would be its **BYD JV**, (ii) **Cinnamon Life** is commissioned and would gradually start contributing to the bottom-line, (iii) growth in the Transportation segment supported by the phased commencement of **West Container Terminal (WCT)** operations could be a sustainable contributor, and (iv) broader recovery in tourism will benefit the leisure sector. Accordingly, **CIC's share of JKH's earnings should become increasingly material**, enhancing both reported profitability and valuation.

Valuation

We conservatively forecast CIC's net profit to grow by 35% YoY in FY26e to LKR7.3 bn and by a further 25% YoY in FY27e to LKR 9.2 bn. Enjoying dominant market positions in all sectors of its operations and proven track record of earnings stability we believe CIC's voting share should attract a price multiple of a minimum 12x (FY26 earnings) and trade at >LKR46, while the Non-Voting share can expect to trade at a discount of no greater than 15% to the Voting share and be priced at LKR39.4. **BUY.**

CIC HOLDINGS PLC - INCOME STATEMENT (GROUP) **Summarised & Abdridged**	2024	2025	2026E	2027E	2028E
Revenue	76,424,242	83,291,872	95,679,946	108,274,902	120,182,200
Cost of Sales	(55,706,039)	(61,069,650)	(68,315,481)	(77,957,930)	(85,329,362)
Gross Profit	20,718,203	22,222,222	27,364,465	30,316,973	34,852,838
Other Income	296,035	389,610	454,463	458,301	500,362
Distribution Expenses	(6,219,413)	(7,673,129)	(8,814,360)	(8,661,992)	(10,816,398)
Impairment Loss on Trade Receivables	(11,952)	(233,461)	(78,800)	(86,680)	(95,348)
Administrative Expenses	(3,987,189)	(4,199,172)	(4,855,131)	(5,633,861)	(6,541,167)
Other Expenses	(122,031)	(69,580)	(139,160)	(146,118)	(153,424)
Operating Profit (EBIT)	10,673,653	10,436,490	13,931,476	16,246,623	17,746,863
Finance Cost (Net)	(2,600,456)	(1,617,590)	(1,955,428)	(1,668,313)	(1,182,173)
Profit Before Tax	13,517,422	9,210,523	13,111,293	15,835,223	18,010,142
Income Tax Expense	(2,543,225)	(2,877,071)	(3,933,388)	(4,750,567)	(5,403,042)
Profit from continuing operations	10,974,197	6,333,452	9,177,905	11,084,656	12,607,099
Profit for the Year	11,021,394	6,629,480	9,177,905	11,084,656	12,607,099
Profit Attributable					
Non Controlling Interest	1,278,136	1,187,063	1,835,581	1,995,238	2,017,136
Equity holders	9,743,258	5,442,417	7,342,324	9,089,418	10,589,963

CIC HOLDINGS PLC - BALANCE SHEET (GROUP) Summarised & Abdridged	2024	2025	2026E	2027E	2028E
NON CURRENT ASSETS					
Property, Plant & Equipment	12,608,280	14,052,964	14,242,417	14,520,128	14,872,473
Biological Assets (Non-Current)	504,362	420,937	621,750	888,105	1,181,796
Intangible Assets	625,211	598,205	596,910	589,299	582,600
Equity Accounted Investees	25,206,123	29,350,818	30,230,810	30,230,810	30,230,810
Total Non-Current Assets	39,292,684	44,939,486	46,653,160	46,249,628	47,829,319
CURRENT ASSETS					
Inventories	18,449,041	20,718,991	24,903,000	26,697,921	29,633,967
Biological Assets (Current)	299,770	247,327	277,663	310,323	346,344
Trade Receivables	9,237,533	11,987,868	15,203,937	17,798,614	16,463,315
Other Receivables	3,318,297	3,829,537	7,208,763	7,416,089	8,231,658
Deposits (Current)	1,618,710	1,683,269	1,750,403	1,820,214	1,892,810
Cash and Cash Equivalents	5,416,036	5,045,473	6,118,610	5,796,050	9,586,239
Total Current Assets	38,784,295	44,264,442	56,181,054	60,583,081	66,922,017
TOTAL ASSETS	78,487,258	89,456,283	102,834,215	106,832,709	114,751,336
EQUITY					
Stated Capital	1,008,450	1,008,450	1,008,450	1,008,450	1,008,450
Capital Reserves	2,412,465	3,013,269	3,013,269	3,013,269	3,013,269
Revenue Reserves	31,472,225	36,097,862	44,328,067	47,058,626	55,039,766
Equity attributable to Parent	34,893,140	40,119,581	48,349,786	51,080,345	59,061,485
Non-Controlling Interests	5,101,736	6,307,242	8,142,823	10,138,061	12,155,197
Total Equity	39,994,876	46,426,823	56,492,609	61,218,407	71,216,682
NON-CURRENT LIABILITIES					
Loans & Borrowings (Non-Current)	399,988	1,900,909	2,811,330	2,000,000	2,000,000
Total Non-Current Liabilities	3,552,306	5,172,460	7,023,764	6,980,423	7,691,241
CURRENT LIABILITIES					
Trade Payables	4,763,848	6,427,227	4,679,143	6,407,501	8,182,268
Contract Liabilities	246,533	353,465	375,735	405,381	443,713
Income Tax Payable	1,020,457	1,368,624	1,180,016	1,425,170	1,620,913
Accruals & Other Payables	3,332,722	3,262,959	3,743,314	4,271,667	4,675,581
Loans & Borrowings (Current)	25,025,619	26,334,758	29,231,581	26,016,107	20,812,886
Total Current Liabilities	34,527,231	37,855,085	39,317,841	38,633,879	35,843,412
Total Liabilities	38,492,382	43,029,460	46,341,606	45,614,302	43,534,654
TOTAL EQUITY & LIABILITIES	78,487,258	89,456,283	102,834,215	106,832,709	114,751,336

Contact Information

Hotline	+ 94 11 4711000	**Fax**	+ 94 11 2394405
Web	https://sampathsecurities.lk	**Trade online**	itrade.sampathsecurities.lk/

Board of Directors

Dilshan Hettiaratchi **Chairman**	**Roshantha Fernando** **Managing Director**	**Prasantha Lal de Alwis** **Director**	**Ashen Jayasekara** **Director**
Seedantha Kulatilake **Director**			

Trading Division

Roshantha Fernando	Managing Director	777736623	ceo@sampathsecurities.lk
Indika Jayarathne	Senior DGM Sales	777369084	indika@sampathsecurities.lk
Nimal Liyanagamage	DGM Sales	773493868	nimal@sampathsecurities.lk
Saliya Gamagedara	DGM Sales	772877146	saliya@sampathsecurities.lk
Miflal Farook	DGM Sales	772253730	miflal@sampathsecurities.lk
Kumara Poodiwala	DGM Sales	773956769	kumara@sampathsecurities.lk
Marlon Fernando	DGM Sales	772310667	marlon@sampathsecurities.lk
Prabath Jayarathne	AGM Sales	773047056	Prabath@sampathsecurities.lk
Sajee Perera	AGM Sales	778088993	sajee@sampathsecurities.lk
Prasanna Amarasekara	AGM Sales	773413688	prasanna@sampathsecurities.lk
Bogala Samaranayake	Manager Sales	701713972	bogala@sampathsecurities.lk
Chalalochana Yapa	Manager Sales	773243374	chala@sampathsecurities.lk
Chamari Iresha	Manager Sales	777942347	iresha@sampathsecurities.lk
Kanushka Jayatissa	Manager Sales	741537586	kanushka@sampathsecurities.lk
Channa De Silva	Manager Sales	773370894	channa@sampathsecurities.lk
Ishanka Wickramanayake	Manager Sales	777611200	asith@sampathsecurities.lk
Thanuja De Silva	Asst. Manager Sales	773326546	thanuja@sampathsecurities.lk
Harsha Hettiarachchi	Asst. Manager Sales	776677606	harsha.c@sampathsecurities.lk
Agranath Umayanga	Asst. Manager Sales	770181283	agranath@sampathsecurities.lk
Wipula Bandara	Asst. Manager Sales	777290046	wipula@sampathsecurities.lk
Gayan Silva	Senior Investment Advisor	773836475	gayan@sampathsecurities.lk
Radheeka Pillai	Senior Investment Advisor	743370343	radheeka@sampathsecurities.lk
Uditha Nuwan Perera	Senior Investment Advisor	763456518	uditha@sampathsecurities.lk
Romesh Kenny	Investment Advisor	777763099	romesh@sampathsecurities.lk
Charitha Gunasekara	Investment Advisor	001(778)9865301	charithacg@yahoo.com
Kavitha Ratnayake	Investment Advisor	775668754	kavitha@sampathsecurities.lk
Chirath Seneviratne	Investment Advisor	701713972	chirath@sampathsecurities.lk
Chathuka Wijethunga	Investment Advisor	763238135	chathuka@sampathsecurities.lk
Chinthaka Jeewarathna	Investment Advisor	777912231	chinthaka@sampathsecurities.lk
Hashan Waidyarathna	Investment Advisor	761738517	udaraka@sampathsecurities.lk
Lalani Wickramasinghe	Investment Advisor	714839437	lalani@sampathsecurities.lk

Research Division

Mohamed Aalam	Research Analyst	771001567	researchtrainee@sampathsecurities.lk
Savindu Aponso	Research Analyst	774117363	researchtrainee@sampathsecurities.lk
Nasrullah Mohideen	Research Analyst	772590193	researchtrainee@sampathsecurities.lk