

### BUY

Initial Opinion	BUY
Release Date	06/17/2020
Initial Target Price	MAD 3,847

### LABEL VIE

Sector	RETAIL
Reuters	LBV.CS
Bloomberg	LBV MC

### MAD 3,847

Current Price	MAD 3,035
Potential	+27%
Investment Horizon	24 Months

## RESILIENT OPERATING ACHIEVEMENTS..., AS EXPECTED

### An expected deceleration in activity ..., after an exceptional Q1-20

The Q2-20 was marked by a deceleration in Label Vie's revenue, i.e. +4.0% in comparison to +26,3% in Q1-20 (Cf. [Label Vie: A double-digit growth over the medium term](#)). This growth deceleration was expected due to the massive households storage in preparation for the lockdown period, starting from March 20<sup>th</sup> 2020.

In more details, the supermarket segment, which represents 38% of total revenue, experienced the strongest jump, i.e. +16%. The hypermarket and hyper cash grew by +4% and +3% respectively. At the opposite, the filling stations activity recorded a decline of -39% given the health crisis and population lockdown.

Thanks to a resilient Q2-20, Label Vie's revenue in H1-20 recorded an increase of +15% to MAD 5,381 Mn, above our expectations of 12.3%.

### Towards a double digit growth of the recurring profit in 2020E

Taking into account the mid-term achievements and the future dynamic of the Moroccan retail sector, we maintain our initial forecasts for the FY 2020E:

- An increase of +9.4% in revenue to settle at MAD 11,370 Mn with a scenario of 7 stores openings during this year;
- The EBITDA would jump by +6.6% in 2020 to MAD 842 Mn, i.e. an EBITDA margin of 7.4%;
- The recurring NIGS would rise by +15.0% to settle at MAD 359 Mn, excluding the contribution to the Covid-19 fund (MAD 50 Mn).

### A stock offering an upside potential of 27%

Label Vie's H1-20 achievements confirm the resilience of its business model's (Cf. [Covid-19: Glimmers of Hope at the end of the tunnel](#)). It is reassuring to note that the operator's growth in Q2-20 does not take into account the network extension effect in view of the Covid-19 crisis' repercussions on the real estate activities. Nevertheless, starting from Q4-20, Label Vie would return to a more sustained pace of store openings, thereby supporting its growth pace.

Following these elements, we maintain our recommendation of BUYING the stock with a target price of MAD 3,847, offering an upside potential of 27% (Cf. [Book Afrique](#)).

### LABEL VIE : AGR FORECASTS OVER THE PERIOD 2020E-2021E

IN MAD MN	2019	2020E	2021E	VAR 19-20E	VAR 20-21E
Revenue	10,396	11,370	12,302	9.4%	8.2%
EBITDA	790	842	965	6.6%	14.5%
EBITDA margin	7.6%	7.4%	7.8%	-0.2 pt	+0.4 pt
Recurring NIGS*	312	359	392	15.0%	9.4%
Net margin	3.0%	3.2%	3.2%	+0.2 pt	-
Posted NIGS	312	323	392	3.7%	21.3%

\* Excluding the MAD 50 Mn contribution to the Covid-19 fund

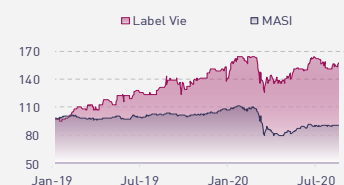
### Omar Cherkaoui

Associate  
+212 522 49 14 82  
o.cherkaoui@attijari.ma

### Maria Iraqui

Manager  
+212 529 03 68 01  
m.iraqui@attijari.ma

### STOCK EVOLUTION (BASIS 100)



### MARKET INDICATORS

Performances (%)	1 M	3 M	12 M
Label Vie	2.9	3.2	12.4
MASI	1.6	3.5	-12.3

ADV (MAD Mn)	1 M	3 M	12 M
Label Vie	0.4	0.5	0.8
MASI	52	99	143

Capitalization	As of 09/01/2020
In MAD Mn	8,616
In \$ Mn	938

Prices as at 09/01/2020

## ATTIJARI GLOBAL RESEARCH

### CHIEF ECONOMIST

Abdelaziz Lahlou  
+212 5 29 03 68 37  
ab.lahlou@attijari.ma  
Casablanca

### MANAGER

Lamyae Oudghiri  
+212 5 29 03 68 18  
l.oudghiri@attijari.ma  
Casablanca

### SENIOR ASSOCIATE

Mahat Zerhouni  
+212 5 29 03 68 16  
m.zerhouni@attijari.ma  
Casablanca

### ASSOCIATE

Omar Cherkaoui  
+212 5 22 49 14 82  
o.cherkaoui@attijari.ma  
Casablanca

### HEAD OF STRATEGY

Taha Jaidi  
+212 5 29 03 68 23  
t.jaidi@attijari.ma  
Casablanca

### MANAGER

Maria Iraqi  
+212 5 29 03 68 01  
m.iraqi@attijari.ma  
Casablanca

### ASSOCIATE

Meryeme Hadi  
+212 5 22 49 14 82  
m.hadi@attijari.ma  
Casablanca

### INVESTOR RELATIONS ANALYST

Nisrine Jamali  
+212 5 22 49 14 82  
n.jamali@attijari.ma  
Casablanca

### SENIOR ANALYST

Inès Khouaja  
+216 31 34 13 10  
khouaja.ines@attijaribourse.com.tn  
Tunis

### FINANCIAL ANALYST

Josiane Ouakam  
+237 233 43 14 46  
j.ouakam@attijarisecurities.com  
Douala

### FINANCIAL ANALYST

Jean-Jacques Birba  
+225 20 21 98 26  
jean-jacques.birba@sib.ci  
Abidjan

## Equity

### BROKERAGE - MOROCCO

Abdellah Alaoui  
+212 5 29 03 68 27  
a.alaoui@attijari.ma

Rachid Zakaria  
+212 5 29 03 68 48  
r.zakaria@attijari.ma

Anis Hares  
+212 5 29 03 68 34  
a.hares@attijari.ma

Kaoutar Sbiyaa  
+212 5 29 03 68 21  
k.sbiyaa@attijari.ma

Alae Yahya  
+212 5 29 03 68 15  
a.yahya@attijari.ma

### ONLINE TRADING - MOROCCO

Nawfal Drari  
+212 5 22 49 59 57  
n.drari@wafabourse.com

Sofia Mohcine  
+212 5 22 49 59 52  
s.mohcine@wafabourse.com

### WAEMU - CÔTE D'IVOIRE

Mohamed Lemridi  
+225 07 80 68 68  
mohamed.lemridi@sib.ci

### BROKERAGE - TUNISIA

Abdelkader Trad  
+216 71 10 89 00  
trad.f@attijaribank.com.tn

### CEMAC - CAMEROUN

Yves Ntchoumou  
+237 2 33 43 14 46  
n.ntchoumou@attijarisecurities.com

## Bonds / Forex / Commodities

### MOROCCO

Mehdi Mabkhout  
+212 5 22 42 87 22  
m.mabkhout@attijariwafa.com

Mohammed Hassoun Filali  
+212 5 22 42 87 09  
m.hassounfilali@attijariwafa.com

Btissam Dakkouni  
+212 5 22 42 87 74  
b.dakkouni@attijariwafa.com

Dalal Tahoune  
+212 5 22 42 87 07  
d.tahoune@attijariwafa.com

### EGYPT

Ahmed Darwich  
+202 27 97 04 80  
ahmed.darwich@barclays.com

### TUNISIA

Abdelkader Trad  
+216 71 80 29 22  
trad.abdelkader@attijaribank.com.tn

### MIDDLE EAST - DUBAI

Serge Bahaderian  
+971 0 43 77 03 00  
sbahaderian@attijari-me.com

### WAEMU - CÔTE D'IVOIRE

Abid Halim  
+225 20 20 01 55  
abid.halim@sib.ci

### CEMAC - GABON

Youssef Hansali  
+241 01 77 72 42  
youssef.hansali@ugb-banque.com

## DISCLAIMER

#### RISKS

Investment in Securities is a risky operation. This document is intended for informed investors. The value and yield of an investment can be influenced by several factors both economic and technical. Previous performances of the different assets classes do not constitute a guarantee for subsequent achievements. Furthermore, forecast of future achievements may be based on assumptions that could not be realized.

#### LIABILITY LIMITS

The investor acknowledges that these opinions constitute an element of decision support. He assumes full responsibility for his investment choices. Attijari Global Research can't be considered responsible for his investment choices. This document can under no circumstances be considered as an official confirmation of a transaction addressed to a person or entity and no guarantee can be made that this transaction will be concluded on the basis of the terms and conditions contained in this document or on the basis of other conditions. Attijari Global Research has neither verified nor conducted an independent analysis of the information contained in this document. Therefore, Attijari Global Research doesn't make any statement or guarantee and makes no commitment to this document's readers, in any way whatsoever regarding the relevance, accuracy or completeness of the information contained therein. In any case, readers should collect the internal and external opinions they deem necessary, including from lawyers, tax specialists, accountants, financial advisers, or any other experts, to verify the adequacy of the transactions which are presented to them. The final decision is the sole responsibility of the investor. Attijari Global Research can not be held responsible for financial losses or any decision made on the basis of the information contained in its presentations.

#### INFORMATION SOURCE

Our publications are based on public information. Attijari Global Research strives for the reliability of the information provided. However, it is unable to guarantee its veracity or completeness. The opinions provided are expressed only by the analysts writers. This document and all attachments are based on public information and may in no circumstances be used or considered as a commitment from Attijari Global Research.

#### CHANGE OF OPINION

The expressed recommendations reflect an opinion consisting of available and public elements during the preparation period of the said note. The views, opinions and other information expressed in this document are indicative and may be modified or removed at any time without prior notice.

#### INDEPENDENCE OF OPINION

Attijari Global Research preserves full independence regarding the opinions and recommendations issued. As a result, the investment decisions of Attijariwafa bank Group subsidiaries may conflict with the recommendations and / or strategies published in the Research notes.

#### REMUNERATION AND BUSINESS STREAM

Financial analysts responsible for the preparation of this report receive remunerations based on various factors, among which the quality of the research and the relevance of the topics discussed. Attijariwafa bank Group maintains a business stream with the companies covered in the publications of Attijari Global Research.

#### ADEQUACY OF OBJECTIVES

The various publications of Attijari Global Research are prepared excluding the individual financial circumstances and objectives of persons who receive them. The instruments and discussed strategies may not be appropriate for the different investor profiles. For this reason, making an investment decision solely on these opinions may not lead to the intended objectives.

#### OWNERSHIP AND DIFFUSION

This document is the property of Attijari Global Research. It may not be duplicated or copied partially or fully without the written consent of the management of Attijari Global Research. This document can be distributed only by Attijari Global Research or one of Attijariwafa bank Group's subsidiaries.

#### SUPERVISORY AUTHORITIES

Attijari Global Research is subject to the supervision of the regulatory authorities for the various countries of presence. These include AMMC in Morocco, CMF in Tunisia, CREPMF in WAEMU, COSUMAF in CEMAC and CMA in Egypt. Any person accepting to receive this document is bound by the terms above.

