

BUY

Initial Opinion	BUY
Release Date	09/07/2020
Initial Target Price	MAD 273

MUTANDIS

Sector	AGRIBUSINESS
Reuters	MUT.CS
Bloomberg	MUT MC

MAD 273

Current Price	MAD 222
Upside	+23%
Investment Horizon	12 Months

RESILIENCE CONFIRMED IN 2020 ..., LAUNCH OF A MAJOR INVESTMENT PROGRAM

A limited drop in revenue thanks to the diversification

In 2020, Mutandis achievements are in line with our initial forecasts (Cf. *Start 2021 under the cash-conversion perspective*). In a challenging context, the Group is demonstrating the resilience of its business model, benefiting from the diversification of its business portfolio.

The operator's revenue recorded a relatively limited drop of -4.5% to MAD 1,396 Mn against AGR estimate of -3.0%. This is attributed to the significant drop in sales volumes for *Food Bottles* of -11.0% and the decline in revenues for *Seafood* and *Fruit Juices* of -4.7% and -3.3% respectively. In contrast, the *Detergents* segment rose by 2.6% supported by a solid domestic Demand.

An appreciable resilience of EBITDA above MAD 220 Mn

In terms of profitability, the EBITDA remained almost stable at MAD 225 Mn, i.e. a slight decrease of -1.0%. This indicator have benefited from an almost general improvement in the contribution margin at the level of the various business segments. Finally, the reported NIGS stands at MAD 68 Mn against an initial estimate of MAD 66 Mn. This is a decrease of -17.4% under the effect of the increased investment effort and the integration of the Covid-19 donation.

A stable dividend policy, in line with the Management's announcements

Thanks to the resilience of its cash-flow levels, Mutandis offers a stable 2020 DPS at MAD 8.5. Under these conditions, the D/Y settles at 3.8%, offering an attractive spread of 190 BPS compared to the 5-year TB. It is comforting that the evolution of the DPS is taking place in stages since the Group's IPO, as it has been raised from MAD 7.5 to MAD 8.5 currently.

Imminent launch of a major investment program

At the release of its 2020 results, Mutandis announced the launch of a new investment program worth MAD 300 Mn. This has been eagerly awaited by the market since its IPO in December 2018. This major investment would support the operator's future growth thanks to a significant impact on the Group's profitability over the MT.

MUTANDIS: CONSOLIDATED RESULTS 2020 VS. AGR INITIAL FORECASTS

IN MAD MN	2019R	2020R	VAR 19/20	AGR 20E	VAR 20E	AR 2020 ⁽¹⁾
Consolidated Revenue	1 462	1 396	-4.5%	1 418	-3.0%	98%
EBITDA	228	225	-1.0%	220	-3.5%	102%
EBITDA Margin	15.6%	16.1%	+0.5 pt	15.5%	-0.1 pt	-
EBIT	148	134	-9.5%	139	-6.1%	96%
EBIT Margin	10.1%	9.6%	-0.5 pt	9.8%	-0.3 pt	-
Reported NIGS	82	68	-17.4%	66	-19.4%	103%
Net margin	5.6%	4.8%	-0.8 pt	4.7%	-0.9 pt	-
DPS (MAD)	8.5	8.5	-	8.5	-	100%

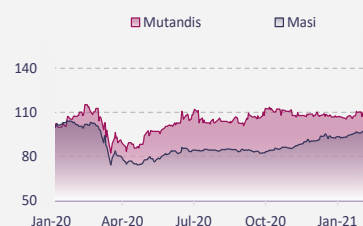
Omar Cherkaoui

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

Maria Iraqi

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

STOCK EVOLUTION (BASIS 100)



MARKET INDICATORS

Performances (%)	1 M	3 M	12 M
MUTANDIS	1.5	1.7	0.5
MASI	-1.0	4.9	-7.7

ADV (MAD Mn)	1 M	3 M	12 M
MUTANDIS	1.6	1.2	1.8
MASI	95	139	121

Capitalization	As at 02/22/2021
In MAD Mn	1 777
In \$ Mn	200

Prices at 02/22/2021

(1) Achievement's rate, i.e. 2020R results/ AGR annual forecasts

Sources : Mutandis 2020 Financial Statements, AGR Computations & Estimates



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 Iraqui
+212 5 29 03 68 01
m.iraqui@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

Ines 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

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

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

CUSTODY - MAROC

Tarik Loudiyi
+212 5 22 54 42 98
t.loudiyi@attijariwafa.com

WAEMU - CÔTE D'IVOIRE

Mohamed Lemridi
+225 20 21 98 26
mohamed.lemridi@sib.ci

BROKERAGE - TUNISIA

Abdelkader Trad
+225 20 21 98 26
trad.abdelkader@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

Mahmoud Bahaa
+202 27 97 04 80
mahmoud.bahaa@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.

par l'organe de contrôle relatif aux différents pays de présence. Il s'agit plus précisément de l'AMMC au Maroc, de la CMF en Tunisie, de la CREPMF à l'UEMOA, de la COSUMAF à la CEMAC et de la CMA en Egypt. Toute personne acceptant la réception de ce document est liée par les termes ci-dessus.

