

### HOLD

Initial Opinion	BUY
Release Date	01/25/2021
Initial Target Price	MAD 240

### COSUMAR

Sector	AGRI-BUSINESS
Reuters	CSR.CS
Bloomberg	CSR MC

### 240 DH

Current Price	MAD 242
Potential	-1%
Investment Horizon	12 Months

## A NEW EXPORT RECORD IN 2020 ... 2021 SOUNDS TO BE A PROMISING YEAR

### 2020 achievements in line with our forecasts

As expected, Cosumar showed during 2020 a solid resilience of its results, despite the negative repercussions of the health crisis on the local demand.

Driven by the export activity, the revenue came to MAD 8,630 Mn, up 5.1% against an AGR estimate of MAD 8,739 Mn. This represents an achievement rate of 99%. For its part, the recurring net profit is slightly lower than our expectations with an achievement rate of 96%. *(C.f. Start 2021 under the cash-conversion perspective)*

By restating the exceptional donation to the Covid-19 Fund which amounts to MAD 100 Mn, the decrease in the NIGS is limited to -4.8%.

### A new export record, within a favorable international context

Taking into account a correct sugar campaign of 526 KT, the Group was able to achieve a new export record in 2020. In more detail, exports of white sugar reached 647 KT against 518 KT in 2019, an increase of 24.9%.

At the same time, the operator benefited from the increase in the average international selling price of white sugar by 11.0%, going from MAD 3,774 in 2019 to MAD 4,190 in 2020. This bullish trend continues during the Q1-21 through an average price of white sugar up 20.0% compared to the same period of the previous year.

### A stock to HOLD, ... A target price maintained at MAD 240

Cosumar offers a DPS of MAD 6 against MAD 7 in 2019. This level is lower than our initial estimate of MAD 8. Taking into account the non-recurrence of the Covid donation in 2021 and the positive outlook for both the sugar campaign and the export activity, we expect a return of the upward trend in the dividend starting from 2021.

Pending detailed communication from Management regarding the start-up of the new Durrah refinery in Saudi Arabia, we are keeping our forecasts unchanged. In addition, we are revising our stock recommendation from BUY to HOLD insofar as our target price was reached on 03/08/21.

### COSUMAR : CONSOLIDATED RESULTS 2020 VS. AGR INITIAL FORECASTS

IN MAD MN	2019R	2020R	VAR 19/20	AGR 20E	VAR 20E	AR 2020 <sup>(1)</sup>
Revenue	8,211	8,630	5.1%	8,739	6.4%	99%
EBITDA	1,840 <sup>(2)</sup>	1,830 <sup>(2)</sup>	-0.5%	1,974	7.3%	93%
EBITDA Margin	22.4%	21.2%	-1.2 pts	22.6%	+0.2 pt	-
Reported NIGS	924	810	-12.3%	864	-6.5%	94%
Net Margin	11.3%	9.4%	-1.9 pts	9.9%	-1.4 pts	-
Recurring NIGS	924	880	-4.8%	914	-1.1%	96%
Net Margin	11.3%	10.2%	-1.1 pts	10.5%	-0.8 pt	-
DPS (MAD)	7	6	-14.3%	8	14.3%	75%

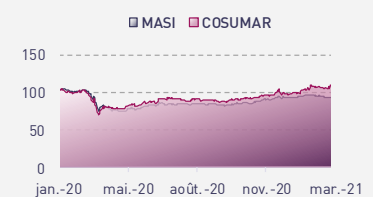
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### STOCK EVOLUTION (BASIS 100)



### MARKET INDICATORS

Performances (%)	1 M	3 M	12 M
COSUMAR	9.1	10.7	62.0
MASI	0.3	0.1	24.3

ADV (MAD MN)	1 M	3 M	12 M
COSUMAR	2.4	12.4	8.0
MASI	74	126	108

Capitalization	Au 18/03/2021
in MAD Mn	22,866
In \$ Mn	2,541

Prices at 03/18/2021

(1) Cosumar's 2020 achievement rate compared to AGR forecasts

(2) Reported EBITDA, not comparable to the calculating method of AGR

Sources : Cosumar 2020 Financial Statements, AGR Computations & Estimates

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