

# RESEARCH REPORT

EQUITY

DECEMBER  
2021

Q1

Q2

Q3

Q4

## | MOROCCO | QUARTERLY Results of listed companies

### RETURN TO **PRE-COVID** ACTIVITY LEVEL

**03** | Confirmation of revenue recovery in Q3-21

**03** | Return to pre-Covid activity level at the end of September 2021

**04** | MSCI FM : Technical decline in Morocco's weight following Pakistan's downgrade



Attijari  
Global Research

Rapport à usage institutionnel

## EXECUTIVE SUMMARY

The operational achievements of listed companies in the third quarter of 2021 took place in a favorable economic and stock market context. On the one hand, economic indicators show a continuous recovery with an economic growth of 5.9% at the end of Q3-21. On the other hand, investor confidence in the equity market reached an all-time high, as evidenced by the latest AGR Confidence Index report published in October 2021.

As of today, 72 companies out of a total of 73 have announced their commercial achievements at the end of September 2021. These represent more than 99% of the stock market capitalization.

At the end of this publication period, we come out with three key messages:

- The third quarter of 2021 confirms the activity's recovery of listed companies that began in Q2-21, i.e. +10.4% versus +13.5% respectively. This evolution is justified by the upturn in consumption "away from home" in a health context in continuous improvement and the sustainability of the upward trend in commodity prices. This latter benefits to mining companies and some manufacturers;
- At the end of the first nine months of 2021, the activity level of listed companies rose above that observed at the end of September 2019, considered as pre-Covid reference period. This represents an aggregate revenue of MAD 193.3 Bn, up 8.3%;
- In addition, the month of November was marked by the revision of the benchmark index, the MSCI FM. To this end, we note a technical revision of Morocco's weight in this index, dropping from 10.86% to 10.24%. Originally, Pakistan's downgrade from the MSCI EM to the MSCI FM index.

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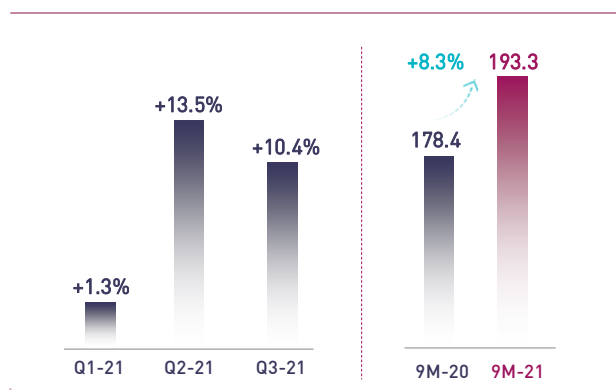
## CONFIRMATION OF REVENUE RECOVERY IN Q3-21

During Q3-21, listed companies aggregate revenue reached MAD 65.7 Bn, up 10.4% y-o-y. This performance comes after two consecutive quarters of increase, i.e. +1.3% in Q1-21 and +13.5% in Q2-21. Indeed, we note 50 listed companies whose quarterly turnover has increased against 21 issuers whose revenue decreased during the same period and only one company having posted a stable revenue.

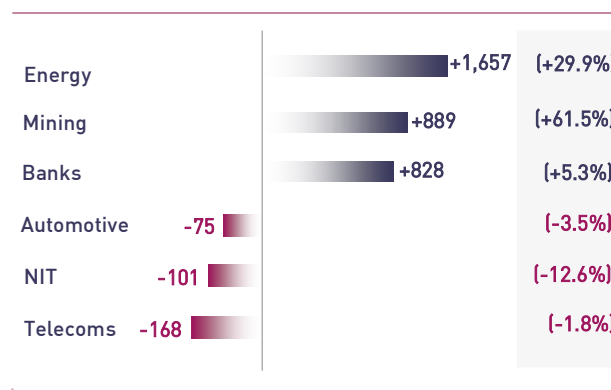
When analyzing the contribution of listed sectors to quarterly listing revenues, we note 2 major findings:

- The Energy, Mining and Banking sectors show a net increase in turnover, benefiting from the visible improvement in the health situation in Morocco and the sustainability of the upward trend in metal prices on an international scale. These sectors recorded growth in their quarterly turnover of respectively MAD 1,657 Mn (+29.9%), MAD 889 Mn (+61.5%) and MAD 828 Mn (+5.3%);
- In contrast, the Telecom, NIT and Automotive sectors show relatively significant declines in their revenue in Q3-21, i.e. MAD -168 Mn (-1.8%), MAD -101 Mn (-12.6%) and MAD -75 Mn (-3.5%) respectively.

MARKET : EVOLUTION OF AGGREGATED REVENUE (MAD BN)



MARKET: QUARTERLY CONTRIBUTION TO REVENUE (MAD MN)

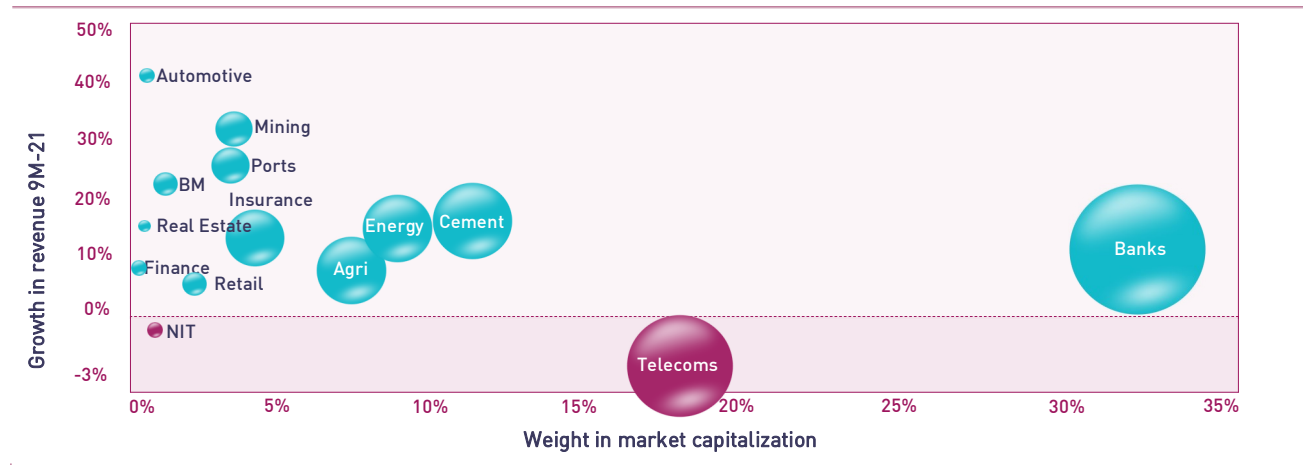


## RETURN TO PRE-COVID ACTIVITY LEVEL AT END OF SEPTEMBER 2021

At the end of September 2021, listed companies posted an aggregate revenue of MAD 193.3 Bn, up 8.3%. It is important to emphasize that this activity level is higher than that recorded at the end of September 2019 considered as a reference pre-Covid 19 (i.e. MAD 183.4 Bn). In more details, this performance is justified by:

- The Automotive (+41.8%), Mining (+30.9%), Ports (+26.7%), Building Materials (+21.4%), Cement (+17.1%), Energy (+16.1%), Real estate (+14.9%), Insurance (+10.5%), Agri-business (+7.5%), Financing (+6.5%), Retail (+5.5%) and Banks (+2.8%). These 12 listed sectors account for 76% of the market capitalization;
- Conversely, the NIT and Telecom sectors posted a decline in their revenue at the end of September 2021, by -0.7% and -2.6% respectively. The Telecom sector alone represents 18.3% of the market capitalization.

EQUITY MARKET : GROWTH IN MAJOR LISTED SECTORS (%) Vs. WEIGHT IN MARKET CAPITALIZATION



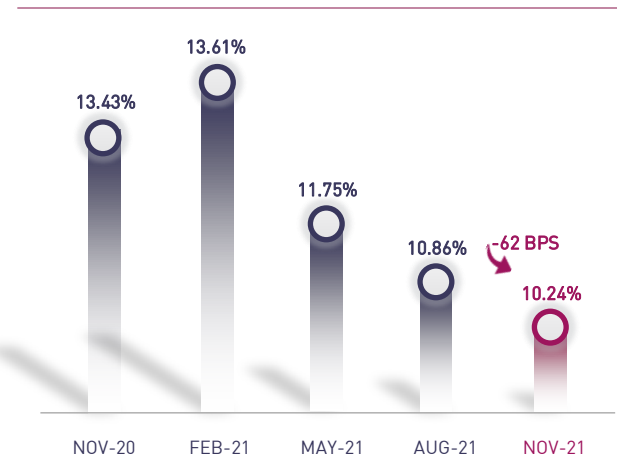
Sources : Press releases of listed companies, CSE, AGR Computations

## MSCI FM : TECHNICAL DECLINE IN MOROCCO'S WEIGHT FOLLOWING PAKISTAN'S DOWNGRADE

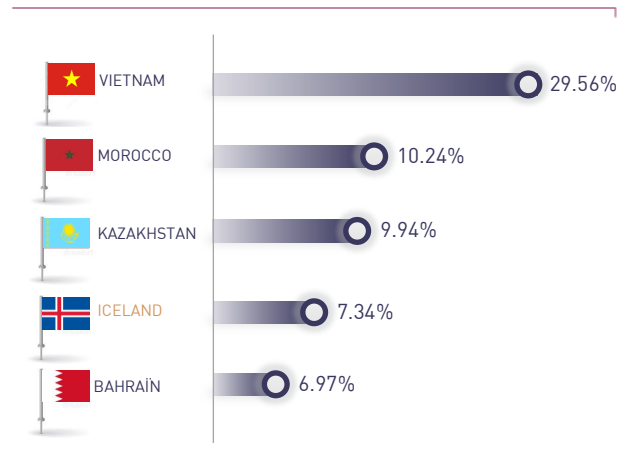
Following the semi-annual review of its MSCI FM Standard index on November 11<sup>th</sup> 2021, Morgan Stanley published the new weightings whose implementation by foreign fund managers took effect on Tuesday November 30<sup>th</sup> 2021. During this trading session, the daily volume stands at MAD 289 Mn, which is almost twice the annual average for 2021. This index revision brings out two main findings:

- The technical drop in Morocco's weight in the MSCI FM Standard index from 10.86% in August to 10.24% at the end of November 2021, i.e. a decline of -62 PBS. Originally, Pakistan's downgrade from MSCI Emerging Markets to MSCI Frontier Markets with a weight of 1.29%;
- Morocco still keep its 2<sup>nd</sup> position within the MSCI FM just behind Vietnam, whose weight stood at 29.56% in November 2021.

### EVOLUTION OF MOROCCO'S WEIGHT IN MSCI FM INDEX



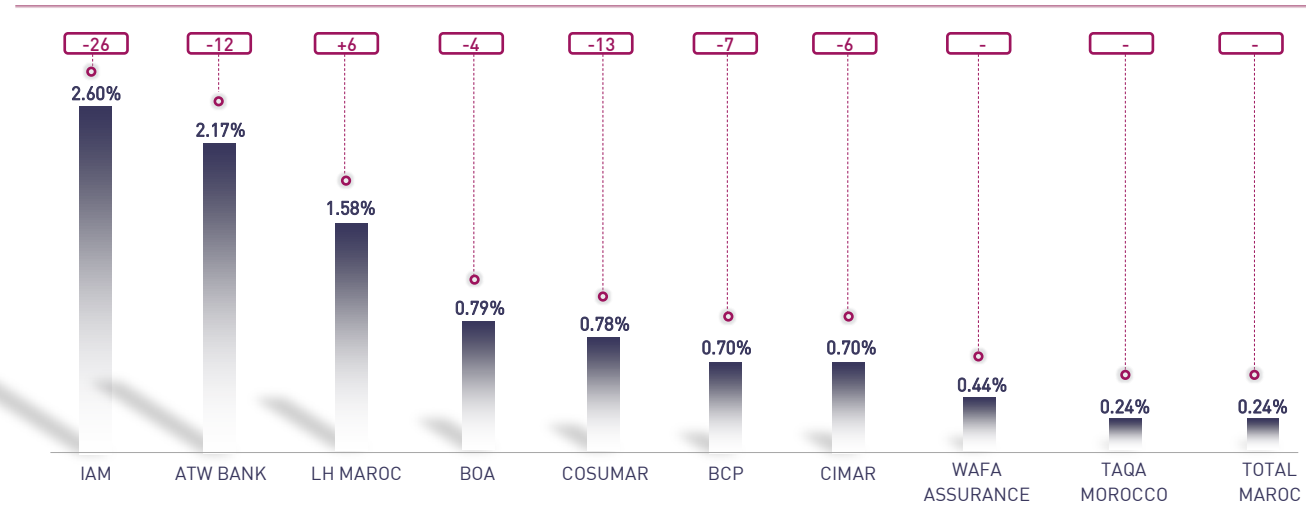
### TOP 5 COUNTRIES IN TERMS OF WEIGHT IN MSCI FM



Following the evolution of the weigh of the stocks composing the MSCI FM Morocco between August and November 2021, we come out with the following findings:

- 6 listed stocks saw their weight drop in the index. These are Maroc Telecom (-26 BPS), Cosumar (-13 BPS), Attijariwafa bank (-12 BPS), BCP (-7 BPS), CIMAR (-6 BPS) and Bank of Africa (-4 BPS) ;
- Only the weight of LafargeHolcim Maroc increased during this rebalancing. Indeed, it went from 1.52% in August 2021 to 1.58% currently, i.e. +6 BPS;
- The weights of Wafa Assurance, TAQA Morocco and Total Maroc were maintained at the same level, i.e. 0.44%, 0.24% and 0.24% respectively.

### COMPOSITION OF THE MSCI FM MOROCCO INDEX (STANDARD) IN NOVEMBER 2021 VS. CHANGE FROM AUGUST 2021 (BPS)



Sources : MSCI, AGR Computations


**QUARTERLY RESULTS**

	Revenue/NBI			Revenue/NBI			Revenue/NBI			Revenue/NBI			
	In MAD Mn	Q1-21	Q1-20	Var	Q2-21	Q2-20	Var	Q3-21	Q3-20	Var	Sept-21	Sept-20	Var
<b>Tot.</b>	Maroc Telecom	8 914	9 309	-4,2%	8 866	9 014	-1,6%	9 006	9 174	-1,8%	26 786	27 498	-2,6%
	Cosumar	1 974	2 052	-3,8%	2 408	2 208	9,1%	2 456	2 173	13,0%	6 838	6 433	6,3%
<b>Agri-Business</b>	Lesieur Cristal	1 009	977	3,3%	1 094	1 089	0,5%	1 091	893	22,2%	3 194	2 960	7,9%
	SBM	483	568	-15,0%	524	310	69,0%	894	802	11,5%	1 901	1 680	13,2%
	Oulmès	325	358	-9,3%	395	258	53,2%	576	482	19,5%	1 296	1 098	18,0%
	Mutandis	300	333	-9,9%	390	350	11,4%	467	359	30,1%	1 156	1 042	10,9%
	Dari Couspate	183	177	3,4%	162	152	6,6%	161	148	8,9%	506	477	6,1%
	Unimer	173	227	-23,8%	236	280	-15,7%	231	228	1,3%	620	735	-15,6%
<b>Banks</b>	Attijariwafa bank	6 173	6 041	2,2%	6 297	6 342	-0,7%	5 939	5 779	2,8%	18 408	18 162	1,4%
	BCP	4 807	4 252	13,0%	5 347	5 751	-7,0%	4 880	4 510	8,2%	15 037	14 513	3,6%
	BOA	3 464	3 122	10,9%	3 831	3 918	-2,2%	3 554	3 385	5,0%	10 849	10 425	4,1%
	BMCI	731	782	-6,6%	784	772	1,5%	729	748	-2,6%	2 243	2 302	-2,6%
	CIH Bank	714	666	7,3%	787	737	6,7%	766	650	17,8%	2 266	2 053	10,4%
<b>Insurance</b>	Crédit du Maroc	610	623	-2,1%	597	576	3,6%	609	575	5,9%	1 816	1 774	2,4%
	Wafa Assurance	2 901	2 970	-2,3%	2 355	1 727	36,4%	1 919	1 686	13,8%	7 175	6 383	12,4%
	AtlantaSanad	1 952	1 877	4,0%	1 116	1 042	7,1%	1 188	995	19,4%	4 257	3 916	8,7%
	Saham Assurance	1 891	1 755	7,7%	1 218	1 115	9,2%	1 244	1 107	12,4%	4 353	3 976	9,5%
<b>BM</b>	AFMA	66	62	4,9%	52	52	0,0%	35	29	18,2%	152	143	5,8%
	Agma	28	26	9,3%	45	43	4,7%	33	30	10,4%	106	98	7,5%
	Sonasid	997	632	57,8%	1 048	575	82,3%	1 066	899	18,6%	3 111	2 106	47,7%
	Delta Holding	483	535	-9,7%	639	599	6,7%	661	685	-3,5%	1 783	1 819	-2,0%
	Jet Contractors	290	230	26,0%	431	434	-0,7%	312	368	-15,2%	1 061	1 032	2,8%
	SNEP	263	220	19,2%	254	183	38,6%	250	264	-5,5%	767	668	14,8%
	Aluminium du Maroc	213	174	22,0%	236	130	81,0%	239	382	-37,3%	700	512	36,6%
<b>Real Estate</b>	Colorado	114	82	39,5%	154	94	64,1%	162	155	4,3%	430	331	29,9%
	LafargeHolcim Maroc	1 922	1 933	-0,6%	2 078	1 252	66,0%	2 032	1 753	15,9%	6 032	4 936	22,2%
	Ciments du Maroc	862	869	-0,8%	854	671	27,3%	904	908	-0,4%	2 619	2 449	6,9%
	Addoha	390	318	22,6%	286	120	138,3%	420	305	37,7%	1 097	743	47,6%
<b>Energy</b>	Alliances	432	431	0,2%	304	237	28,3%	345	316	9,2%	1 082	984	10,0%
	RDS	92	90	2,2%	233	383	-39,2%	134	98	36,7%	461	571	-19,3%
	Total Maroc	2 662	2 949	-9,8%	2 901	1 484	95,5%	3 421	2 174	57,4%	8 983	6 607	36,0%
<b>Port</b>	Taqa Morocco	1 912	1 883	1,5%	1 553	2 133	-27,2%	2 013	2 003	0,5%	5 478	6 019	-9,0%
	Afriquia Gaz	1 704	1 739	-2,0%	1 755	1 219	44,0%	1 764	1 364	29,3%	5 223	4 323	20,8%
<b>Auto</b>	Label Vie	2 594	2 890	-10,2%	2 731	2 491	9,6%	3 368	2 859	17,8%	8 694	8 239	5,5%
	Auto Hall	1 288	777	65,8%	1 540	459	235,5%	1 329	1 305	1,8%	4 157	2 550	63,0%
<b>Port</b>	Auto Nejma	534	461	15,8%	566	380	48,9%	737	836	-11,8%	1 837	1 677	9,5%
	Marsa Maroc	815	772	5,6%	927	682	35,9%	908	637	42,5%	2 650	2 091	26,7%
<b>Mining</b>	Managem	1 256	1 107	13,5%	1 755	1 271	38,1%	2 086	1 146	82,0%	5 097	3 525	44,6%
	SMI	118	179	-34,1%	178	261	-31,8%	183	180	1,7%	479	620	-22,7%
	CMT	64	88	-27,3%	127	102	24,5%	66	120	-45,0%	256	309	-17,2%
<b>NIT</b>	Disway	478	470	1,7%	446	355	25,6%	385	419	-8,1%	1 309	1 245	5,1%
	HPS	172	153	12,4%	218	209	4,3%	185	147	25,9%	578	509	13,6%
	Microdata	132	219	-39,5%	233	200	16,6%	58	150	-61,5%	424	569	-25,6%
	S2M	53	49	6,5%	67	58	15,6%	57	57	-0,5%	176	164	7,4%
	M2M Group	20	28	-28,6%	7	6	16,7%	5	16	-68,8%	32	50	-36,0%
	Involys	7	6	6,3%	15	13	14,2%	7	8	-9,8%	29	27	5,1%
<b>Financing</b>	Eqdom	126	129	-2,3%	158	127	24,4%	140	126	11,1%	423	382	11,0%
	Maghrebail	903	942	-4,2%	884	754	17,2%	899	919	-2,2%	2 686	2 615	2,7%
	Maroc Leasing	72	66	9,1%	86	57	50,7%	80	20	301,7%	238	143	66,9%
	Salafin	98	100	-2,1%	95	83	15,1%	97	94	3,0%	290	277	4,8%
<b>Others</b>	Lydec	1 644	1 684	-2,4%	1 812	1 697	6,8%	1 882	1 844	2,1%	5 338	5 225	2,2%
	Centrale Danone	989	1 143	-13,5%	1 141	1 206	-5,4%	1 274	1 258	1,3%	3 404	3 539	-3,8%
	Nexans Maroc	472	499	-5,4%	592	388	52,7%	453	386	17,5%	1 516	1 272	19,2%
	Ennakl Automobiles	373	231	61,1%	514	220	133,7%	377	219	72,2%	1 256	819	53,3%
	Risma	94	283	-66,8%	104	42	147,6%	164	70	134,3%	367	396	-7,3%
	Sothema	503	506	-0,6%	482	334	44,3%	530	445	19,1%	1 515	1 285	17,9%
	Promopharm	145	140	3,3%	131	103	28,0%	156	134	16,0%	455	391	16,5%
	CTM	128	138	-7,2%	115	36	219,4%	158	99	59,6%	401	273	46,9%
	Timar	131	122	7,0%	134	80	68,0%	127	106	19,8%	392	308	27,3%
	Aradei	96	80	19,7%	104	44	138,9%	103	70	47,9%	304	194	56,7%
	Immorent Invest	15	16	-6,8%	17	13	24,6%	19	15	29,1%	51	44	14,9%
	Maghreb Oxygène	67	62	8,4%	62	49	27,0%	79	60	30,4%	208	171	21,4%
	Fenie Brossette	119	114	4,4%	150	67	123,9%	121	119	1,7%	390	299	30,4%
	Stokvis Nord Afrique	76	55	38,3%	108	52	107,7%	62	90	-31,1%	246	195	26,2%
	SRM	39	31	28,9%	66	60	9,7%	50	51	-1,8%	155	141	9,8%
	DLM	30	102	-71,2%	30	41	-26,0%	NC	NC	-	NC	NC	-
	Med Paper	16	16	-1,5%	17	7	144,8%	20	15	32,2%	53	38	39,2%
	Afric Industries	12	10	14,7%	14	7	115,9%	10	13	-25,3%	36	30	19,5%
	IB Maroc.com	0,2	3	-94,9%	0	3	-95,4%	0	3	-95,6%	0	9	-95,3%
	Stroc	NC	NC	-	NC	NC	-	10	10	4,0%	38	22	75,9%
	Batima	11	11	-0,5%	12	12	3,9%	11	11	-0,6%	35	34	1,0%
Zellidja	0,01	0,03	-52,0%	0,01	0,03	-48,0%	0,01	0,04	-63,9%	0,04	0,09	-55,8%	
Rebab Company	0,01	0,01	0,0%	0,01	0,01	0,0%	0,01	0,01	0,0%	0,03	0,03	0,0%	

Sources : Press releases of listed companies, AGR Computations

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