

RESEARCH REPORT

EQUITY

APRIL
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| MOROCCO | 2021 ANNUAL Listed companies' results

A **SUSTAINED** DIVIDEND EFFORT

- 03 | Listed companies return to their pre-Covid earning power
- 04 | The banking sector, the main contributor to the recovery in profits
- 05 | Dividends crossed MAD 20 Bn, highest since 2019



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Report for institutional use

EXECUTIVE SUMMARY

During FY 2021, listed companies annual results were relatively expected by investors, after a less favorable year 2020 marked by the negative repercussions of the health crisis.

In a context of economic recovery, through a rebound of +7.3% in GDP in 2021, listed companies return to their pre-health crisis normative profit levels. Alongside our analysis of the annual achievements of listed companies, we come out with 4 key messages:

- The reported earning growth of the Equity market settled at +65.1% in 2021 after a decline of -34.4% a year earlier. This corresponds to aggregate profits of MAD 28.9 Bn. Restated from donations to the Covid-19 fund, the recurring earning power rose by +36.0% during the same period ;
- The Banking sector is the main contributor to the recovery of the market's earning power through an increase in its aggregate net income of MAD +4.9 Bn. It should be noted that the contribution of the Real Estate sector is reflected in a return to equilibrium, after a significant loss of MAD -1.3 Bn in 2020 ;
- Listed companies are maintaining their effort to remunerate Shareholders through an increase in the aggregate amount of the dividend by nearly 20% during 2021. For the first time since 2019, the market is back with a level of dividend above MAD 20 Bn. In more detail, 29 listed companies representing 69% of market capitalization have announced a significant increase in their 2021 DPS ;
- The Equity market's dividend yield stands at 3.2% for 2021 against 2.1% for the TB-5 year benchmark rate, i.e. a spread of 110 BPS. The NIT, Financing and Cement sectors stand out through respective D/Y of 5.6%, 5.0% and 4.1%.

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LISTED COMPANIES RETURN TO THEIR PRE-COVID EARNING POWER

At the end of the FY 2021 marked by the visible recovery of economic activity, the achievements of the 72 listed companies having published their annual results are as follows :

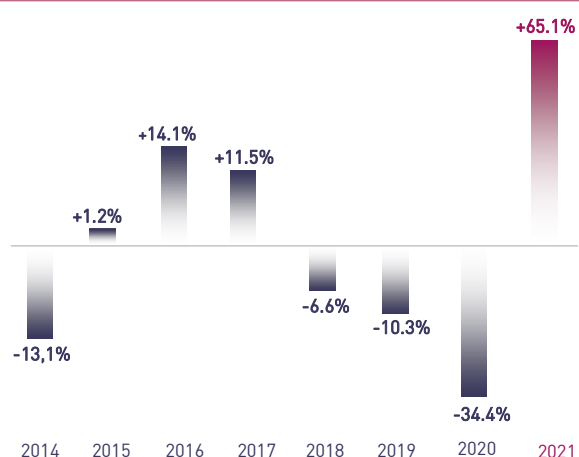
- Aggregate revenue rose by +9.9% to MAD 262.3 Bn, taking advantage from the recovery in Demand and a positive price effect;
- After recording an increase of +115.5% in H1-21, the earnings' growth decelerated in the second half to +32.5%. Initially, we notice an unfavorable base effect insofar as 90% of donations to the Covid-19 fund were accounted during H1-20. According to our calculations, this amounted to MAD 6.0 Bn;
- The reported earning power exceeds the pre-Covid levels of 2019 to stand at MAD 28.9 Bn, i.e. an increase of +65.1% compared to 2020. Excluding contributions to the Covid-19 fund, the market's recurring profit growth settles at +36.0%.

MARKET: MAIN CONSOLIDATED INDICATORS (MAD MN)

IN MAD MN	2020	2021	Var (%)
Aggregated revenues	238,724	262,347	+9.9%
Recurring NIGS ⁽¹⁾	21,236	28,890	+36.0%
Reported NIGS	17,500	28,884	+65.1%

(1) 2020 recurring indicators readjusted mainly for Covid-19 donations

MARKET: REPORTED ANNUAL EARNING CAPACITY



From another point of view, the 2021 results of listed companies reveals the following points :

- 52 issuers improved their profits compared to the previous year. These represent 90% of market capitalization;
- 20 companies show a decline in their earnings during the same period, i.e. 10% of the market capitalization;
- 13 companies, whose weight in the overall capitalization is 2%, show a net loss;
- Only two companies issued a profit warning. These are M2M Group and Delattre Levivier Morocco.

DASHBOARD OF LISTED COMPANIES' RESULTS DURING 2021

KEYS INDICATORS	NUMBER OF COMPANIES	% IN THE CAPI	
Contribution to the increase in profits	52	90%	
Contribution to the decrease in profits	20	10%	
Loss	13	2%	
Profit warning	2	0,1%	

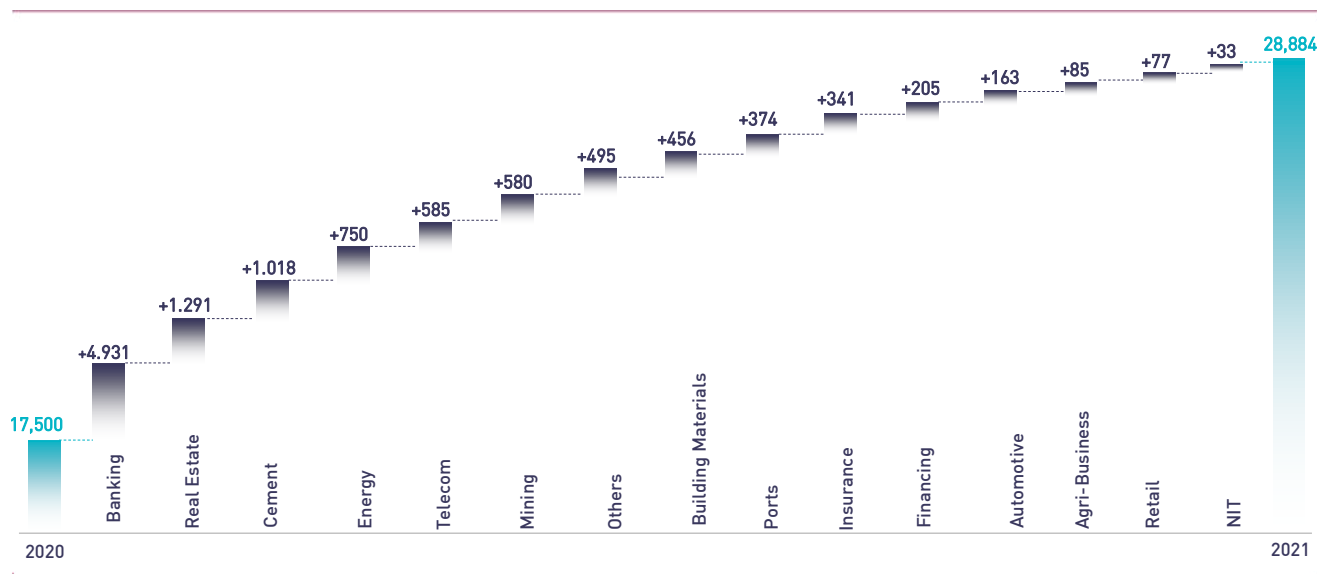
Sources : Press releases and financial statements of listed companies, CSE, AGR Computations

THE BANKING SECTOR, THE MAIN CONTRIBUTOR TO THE RECOVERY IN PROFITS

We note that all listed sectors contributed positively to the improvement in the market's earnings. In more detail, we come out with the following findings :

- The Banking sector is the main contributor with a recovery in its profits of MAD +4,931 Mn thus justifying 43% of the market's overall variation;
- The Real Estate sector is the second contributor due to its return to equilibrium, after a record loss of MAD -1,277 Mn in 2020;
- The Cement sector recorded an increase in profits of MAD +1,018 Mn, justifying 9% of the overall market variation.

EQUITY MARKET: CONTRIBUTION TO REPORTED PROFITS (IN MAD MN)



Taking into account the capitalistic weight of the listed sectors, we notice two major observations :

- 13 listed sectors, representing 95% of market capitalization, show a recovery in their profits during 2021. These are: Financing Companies (+202%), Building Materials (+176%), Mining (+158%), Ports (+128%), Banking (+91%), Automotive (+66%), Cement (+46%), Energy (+44%), Insurance (+28%), Retail (+23%), NIT (+17%), Telecoms (+11%) and Agri-Business (+7%) ;
- The Real Estate sector, which weighs less than 1% in market capitalization, is returning to profit from a cumulative loss of MAD -1,277 Mn in 2020 to an aggregate net income of MAD +14 Mn in 2021.

MARKET: REPORTED EARNINGS GROWTH OF LISTED SECTORS VS. WEIGHT IN MARKET CAPITALIZATION



Sources : Press releases and financial statements of listed companies, CSE, AGR Computations

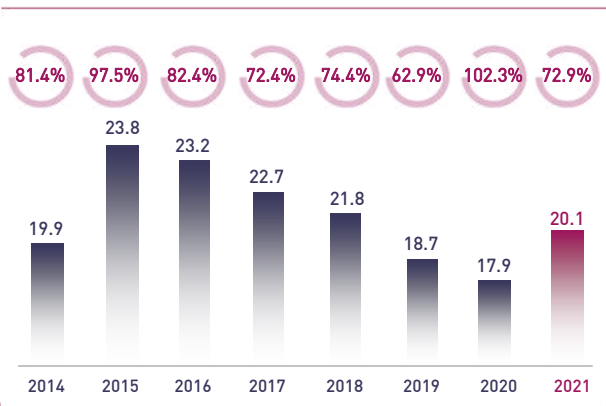
DIVIDENDS CROSSED MAD 20 BN, HIGHEST SINCE 2019

Among the 72 listed companies having published their 2021 annual results, 64 issuers have announced the amount of the dividend for the same FY. This is an aggregate amount of dividends of MAD 20.1 Bn including MAD 0.4 Bn to be distributed as an extraordinary dividend.

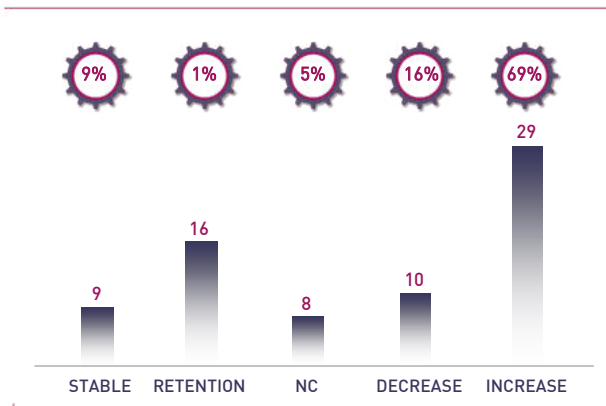
At a constant scope, the dividend amount for the FY 2021 is up +19.7% compared to 2020. To this end, the market's payout stands at 73% in 2021, in line with the average observed over the period 2017-2018.

Our reading of listed companies' communication on their 2021 dividend shows that 29 issuers raised their DPS compared to the previous year, 10 listed companies announced lower dividends, 9 issuers maintained their DPS at a level similar to that of 2020, 16 listed companies did not distribute dividends, and finally 8 issuers did not announce their DPS 2021.

MARKET: GLOBAL DIVIDEND (MMDH) VS. PAYOUT (%)



DPS COMMUNICATION: NUMBER VS. CAPI WEIGHT

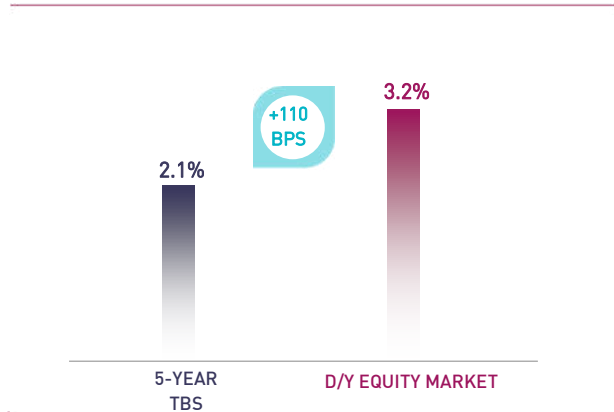


Taking into account the amount of dividends announced at the end of March 2022 and on the basis of a constant scope, the Equity market D/Y comes out at 3.2%. This remains higher than the 5-year TB, which stands at 2.1%. This is a spread of 110 BPS in favor of the stock market.

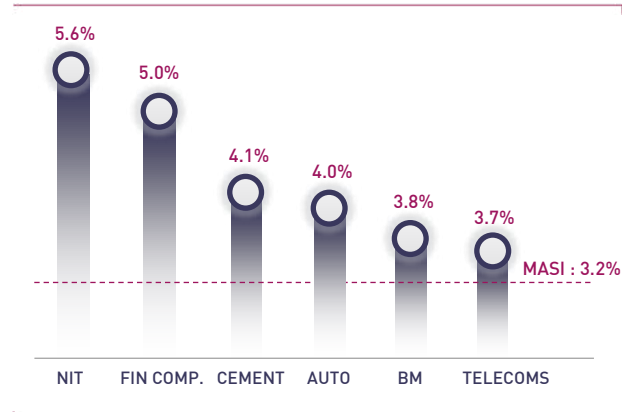
The listed sectors offering the best D/Y are as follows :

- **NIT** : a D/Y of 5.6% driven by Disway which doubled its DPS from MAD 35 in 2020 to MAD 70 in 2021;
- **Financing companies** : a D/Y of 5.0% supported by the increase in the dividends of Maghrebail and Maroc Leasing. Moreover, Salafin kept its DPS unchanged at MAD 52;
- **Cement** : a D/Y of 4.1% due to the sustainability of the distribution efforts of the two listed cement manufacturers;
- **Automotive** : a D/Y of 4.0% following the increase in the DPS of Auto Nejma and the maintaining of Auto Hall's DPS at the same level as the previous year.

RETURN COMPARISON: EQUITIES VS. 5-YEAR T-BONDS



BEST RATED SECTORS IN TERMS OF D/Y 2021




2021 LISTED COMPANIES' DIVIDENDS

Valeur	DPS 2021	DPS 2020	Var	GOA date	Ex-dividend date	Payment date
Addoha	-	-	-			
AFMA	54	47	14,9%			
Afric Industries	22	22	0,0%			
Africa Gaz	140	125	12,0%	18/04/2022		
Agma	250	235	6,4%			
Alliances	-	-	-			
Aluminium du Maroc	100	80	25,0%			
Aradei	1,05	4,00	-73,8%	19/04/2022		17/05/2022
	17,17 (extraordinary)	8,35 (extraordinary)				
Atlanta	5,2	4,5	15,6%			
Attijariwafa bank	15	11	36,4%			
Auto Hall	3,5	3,5	0,0%	17/05/2022		
Auto Nejma	86	60	43,3%	06/04/2022		31/05/2022
Balima	NC	4,6	-			
BCP	8,5	8,0	6,3%			
BMCE Bank	4	5	-20,0%			
BMCI	NC	43	-			
Crédit du Maroc	25,90	4,55	469,2%			
Centrale Danone	-	-	-			
CIH	14	8	75,0%			
Cimar	95	90	5,6%			
		10 (extraordinary)				
CMT	88	120	-26,7%			
Cotorado	2,70	1,45	86,2%	29/04/2022		30/05/2022
		2,7 (extraordinary)				
Cosumar	6	6	0,0%			
CTM	22	-	-			
Dari Couspate	NC	120	-			
Delta Holding	1,3	-	-	17/05/2022		19/07/2022
Disway	40	35	14,3%			
	30 (extraordinary)					
Delattre Levivier	-	-	-			
Ennaki	2,1	1,8	16,9%	09/05/2022		
Eqdom	40	65	-38,5%			
Fenie Brossette	-	-	-			
HPS	NC	50	-			
IB Maroc	-	-	-			
Immoyente	6	6	0,0%	05/04/2022		01/04/2022
Involys	NC	8	-			
Jet Contractors	-	-	-			
Label Vie	70,4	59,88	17,6%			
	70,4 (extraordinary)					
LafargeHolcim Maroc	66	50	32,0%			
Lesieur	3,5	-	-			
		3 (extraordinary)				
Lydec	NC	-	-			
M2M Group	-	-	-			
Maghreb Oxygène	4	4	0,0%			
Maghrébaïl	50	30	66,7%	11/05/2022		
Managem	20	-	-			
Maroc Leasing	14	12	16,7%			
IAM	4,78	4,01	19,2%	29/04/2022		01/06/2022
Marsa Maroc	7,2	8,0	-10,0%			
Med Paper	-	-	-			
Microdata	27	33	-18,2%			
Mutandis	8,5	8,5	0,0%			
TGCC	5,50	8,20	-32,9%			
Oulmès	12	-	-	12/05/2022		31/05/2022
Promopharm	10	30	-66,7%			
RDS	-	-	-			
Rebab	-	-	-			
Risma	-	-	-			
S2M	-	-	-			
Saham	35	20	75,0%	11/05/2022		01/06/2022
Salafin	52	-	-			
		52 (extraordinary)				
SBM	113	106	6,6%			
SMI	-	50	-100,0%			
SNEP	20	15	33,3%			
Sonasis	38	7	442,9%			
Sothema	25	21	19,0%			
SRM	-	-	-	17/05/2022		
Stokvis	-	-	-			
Stroc	-	-	-			
Taq Morocco	35	35	0,0%			
Timar	8	-	-			
Total Maroc	NC	50	-			
Unimer	NC	2	-			
Wafa Assurance	120	100	20,0%	11/05/2022		20/06/2022
Zellidja	-	-	-			

Sources : Press releases and financial statements of listed companies, AGR computations

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