

# RESEARCH REPORT

EQUITY

SEPTEMBER  
2022

Q1

Q2

## | MOROCCO | QUARTERLY Results of listed companies

Q3

Q4

### AN INFLATIONARY INCREASE IN REVENUE

03 | Acceleration of revenue growth for the 6<sup>th</sup> consecutive quarter

04 | Banking sector: Achievements confirming our 2022E forecasts



Attijari  
Global Research

Report for institutional use

## EXECUTIVE SUMMARY

In a context highlighted by record inflation levels both in Morocco and abroad, listed companies continue to post a sustained growth in their revenue during Q2-22.

As of today, 68 listed companies contributing to more than 99% of the capitalization of the Equity market have released their operational achievements at the end of the second quarter of 2022.

According to listed companies' press releases and based on our own analysis, we note four major findings:

- As expected, listed companies recorded an acceleration in their sales growth in Q2-22 of +15.9% after +14.8% in Q1-22. The price effect was clearly reflected in the sectors whose Demand was globally resilient during this 2<sup>nd</sup> quarter, such as Energy, Agribusiness and Mining;
- The drop in Cement consumption by -10.0% during Q2-22 and the decline in equipment loans by -2.6% at the end of June 2022 are early signs of a more visible deceleration in Demand during the coming quarters. This trend would affect more sectors that are not able to fully pass on higher input prices to their customers;
- Based on quarterly press releases, listed companies generally show good control of their debt level through an estimated drop of -8.0%. However, we remain vigilant towards the building material sector during this H2-22 since its financing needs could increase significantly in an inflationary context;
- Two main indicators should be monitored during this second half of 2022. These are, on the one hand, the dynamics of domestic Demand and, on the other hand, the margin levels of listed companies in an inflationary context. The evolution of these indicators would, in our opinion, impact the issuers' pay out policy and consequently the future orientation of the MASI index.

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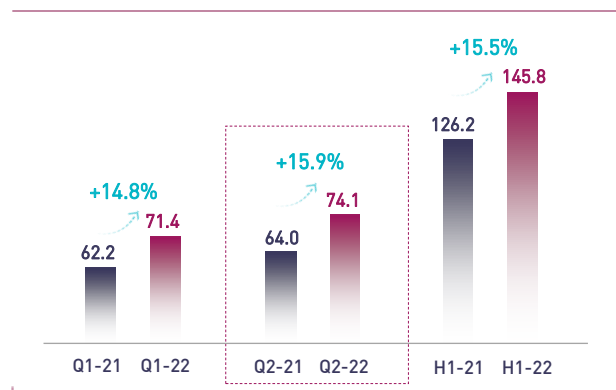
## ACCELERATION OF REVENUE GROWTH FOR THE 6<sup>TH</sup> CONSECUTIVE QUARTER

After a recovery of +14.8% in their aggregate revenue in Q1-22, listed companies recorded an acceleration in their revenue growth in Q2-22, i.e. +15.9% to MAD 74.1 Bn. This is the 6<sup>th</sup> quarter of consecutive increases in the market's revenue. Under these conditions, 53 listed companies show an increase in their turnover, compared to only 14 issuers which recorded a decline in their quarterly revenue and only 1 company whose level of activity remained stable.

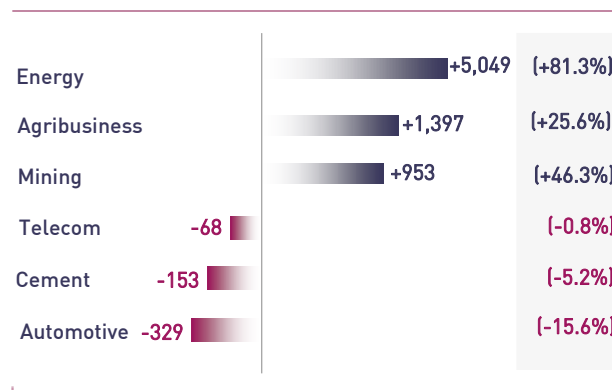
The analysis of the evolution of the listed sectors revenue in Q2-22 reveals two major trends:

- The Energy, Agribusiness and Mining sectors took advantage of a positive price effect by recording revenue up by MAD +5,049 Mn (81.3%), MAD +1,397 Mn (25.6%) and MAD +953 Mn (46.3%);
- On the other hand, the Automotive, Cement and Telecom sectors recorded declines in their revenue of MAD -329 Mn (-15.6%), MAD -153 Mn (-5.2%) and MAD -68 Mn (-0.8%). ) respectively. The latter were penalized by less dynamic Demand.

MARKET: EVOLUTION OF AGGREGATE REVENUE (MAD BN)



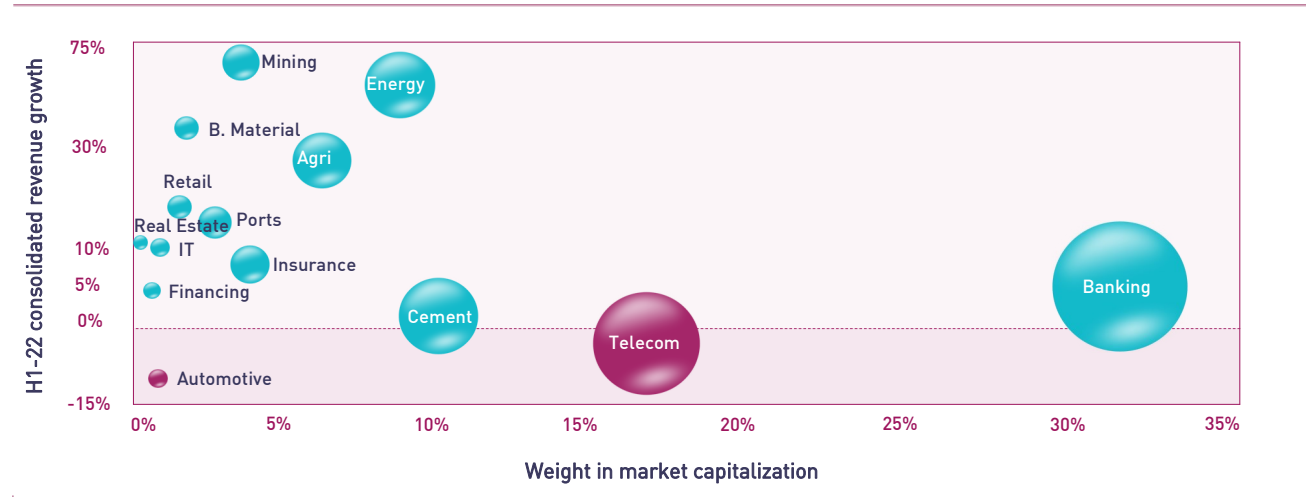
MARKET: QUARTERLY CONTRIBUTION TO REVENUE (MAD MN)



In H1-22, listed companies posted a 15.5% improvement in their revenue to MAD 145.8 Bn. In more detail, we note the following findings:

- 11 listed sectors, which represent 68% of the overall market capitalization, experienced an increase in their revenue at the end of June 22. These are : Mining (+74.3%), Energy (+65.3%), Building Materials (+35.1%), Agribusiness (+28.3%), Retail (+16.4%), Ports (+14.4%), Real Estate (+10.6%), IT (+10.1%), Insurance (+6.5%), Banking (+4.6%) and Financing (+4.6%);
- The Cement sector, whose weight in the capitalization amounts to more than 10%, shows almost stable mid-term revenue, i.e. +0.6%;
- 2 listed sectors, which weigh 18.0% in market capitalization, display a decline in their revenue. These are Automotive (-12.7%) and Telecoms (-1.2%).

EQUITY MARKET: GROWTH OF MAIN LISTED SECTORS (%) VS. WEIGHT IN MARKET CAPITALIZATION



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

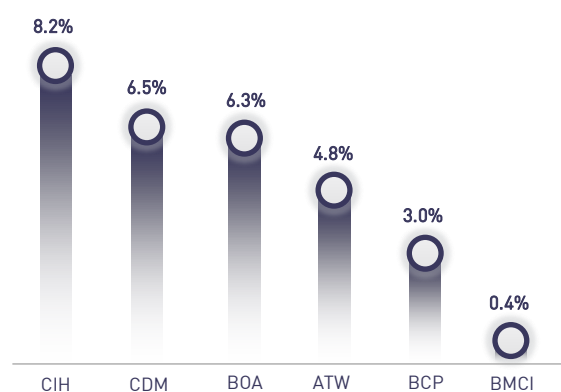
## BANKING SECTOR: ACHIEVEMENTS CONFIRMING OUR 2022E FORECASTS

For the first half of 2022, the listed banking sector recorded an increase in its consolidated NBI of 4.6% against an annual forecast of 3.2%. Achievements which confirm our 2022E growth scenario through an achievement rate slightly above 50% [*Cf. Situation of Listed Banks in Morocco 2021*].

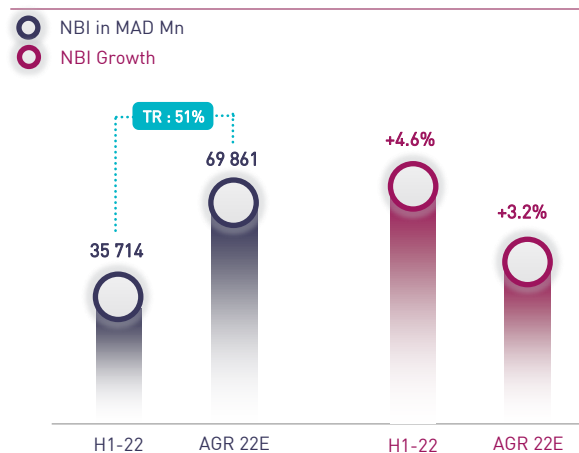
As expected, the main trends in banking activity during this H1-22 are as follows:

- A favorable orientation of the interest margin supported by the continuous optimization of the cost of the resource;
- A positive contribution from international activities and specialized subsidiaries;
- A negative impact of the increase in bond rates on market activities income, mainly for the major listed banking groups.

### LISTED BANKS: NBI GROWTH IN H1-22



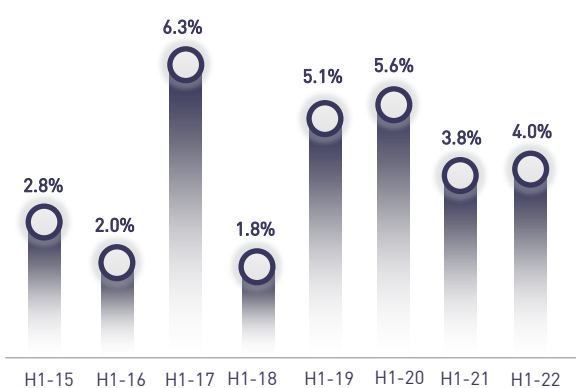
### LISTED BANKS: ACHIEVEMENTS VS. AGR FORECAST



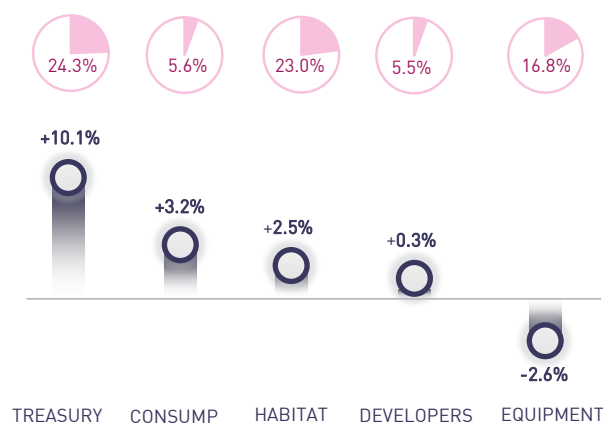
On the economic front, bank loans grew at a sustained pace of 4.0% in H1-22, well above GDP growth estimated at 1.0% for 2022E. At this level, two main findings emerge in H1-22:

- (1) The significant contribution of treasury loans which increased by 10.1% to reach a weight of 24.3% in the overall outstanding loans. This development could be explained by the increase in the WCR of companies following the increase in the inputs prices on an international scale;
- (2) The negative contribution of equipment loans for the 2<sup>nd</sup> consecutive year, i.e. -2.3% in H1-21 and -2.6% in H1-22. This reflects the shift in investment decisions by economic players in a less favorable economic context (inflationary pressures, drought, global geopolitical tensions).

### BAM: GROWTH IN BANK LOANS



### BAM: GROWTH BY CREDIT CATEGORY IN H1-22



Sources: Press releases from listed companies, BAM, AGR Computations & Estimates



## QUARTERLY RESULTS

	In MAD Mn	Revenue/NBI			Revenue/NBI			Revenue/NBI		
		Q1-22	Q1-21	Var	Q2-22	Q2-21	Var	H1-22	H1-21	Var
Rel	Maroc Telecom	8 770	8 914	-1,6%	8 798	8 866	-0,8%	17 568	17 780	-1,2%
Agribusiness	Cosumar	2 486	1 974	25,9%	2 590	2 408	7,6%	5 076	4 382	15,8%
	Lesieur Cristal	1 644	1 009	62,9%	1 954	1 356	44,1%	3 598	2 366	52,1%
	SBM	496	483	2,7%	602	531	13,4%	1 098	1 007	9,0%
	Oulmès	402	325	23,6%	566	395	43,4%	968	720	34,5%
	Mutandis	422	300	40,7%	599	389	54,0%	1 020	689	48,0%
	Dari Couspate	193	183	5,9%	178	162	9,3%	371	345	7,5%
Banking	Unimer	201	173	16,2%	366	217	68,7%	568	390	45,6%
	Attijariwafa bank	6 601	6 173	6,9%	6 466	6 296	2,7%	13 067	12 469	4,8%
	BCP	4 902	4 807	2,0%	5 560	5 351	3,9%	10 462	10 158	3,0%
	BOA	3 630	3 464	4,8%	4 126	3 831	7,7%	7 755	7 295	6,3%
	BMCI	759	731	3,8%	761	784	-2,8%	1 520	1 514	0,4%
	CIH Bank	812	714	13,8%	812	787	3,2%	1 624	1 501	8,2%
Insurance	Crédit du Maroc	648	610	6,3%	637	597	6,6%	1 285	1 207	6,5%
	Wafa Assurance	3 117	3 206	-2,8%	2 776	2 268	22,4%	5 894	5 474	7,7%
	AtlantaSanad	2 001	1 952	2,5%	1 142	1 116	2,3%	3 143	3 068	2,4%
	Saham Assurance	2 045	1 891	8,1%	1 321	1 218	8,5%	3 367	3 110	8,3%
	AFMA	74	66	13,6%	60	52	16,5%	135	117	14,9%
	Agma	NC	NC	-	NC	NC	-	NC	NC	-
Building Material	Sonacid	1 345	1 024	31,3%	1 107	1 048	5,6%	2 452	2 045	19,9%
	TGCC	1 128	663	70,1%	1 122	778	44,2%	2 326	1 171	98,6%
	Delta Holding	598	483	23,8%	670	639	4,9%	1 267	1 122	12,9%
	Jet Contractors	343	290	18,3%	527	459	14,9%	870	749	16,2%
	SNEP	311	263	18,3%	313	254	23,1%	624	517	20,6%
	Aluminium du Maroc	366	213	71,8%	361	236	53,0%	727	460	57,9%
Cement	Colorado	116	114	2,1%	174	154	12,8%	290	268	8,2%
	LafargeHolcim Maroc	2 077	1 922	8,1%	1 927	2 078	-7,3%	4 004	4 000	0,1%
	Ciments du Maroc	955	862	10,8%	852	854	-0,2%	2 024	1 994	1,5%
	Addoha	509	390	30,5%	301	287	4,9%	810	677	19,6%
	Alliances	471	432	9,0%	355	304	16,8%	826	737	12,1%
	RDS	45	92	-51,1%	242	233	3,9%	287	325	-11,7%
Real Estate	Total Maroc	4 476	2 662	68,2%	5 032	2 901	73,5%	9 508	5 562	70,9%
	Taq Morocco	2 658	1 912	39,0%	3 249	1 553	109,2%	5 906	3 465	70,4%
	Afrique Gaz	2 250	1 704	32,0%	2 977	1 755	69,6%	5 226	3 459	51,1%
	Label Vie	2 988	2 594	15,2%	3 213	2 731	17,6%	6 201	5 326	16,4%
	Auto Hall	1 156	1 288	-10,2%	1 306	1 540	-15,2%	2 462	2 825	-12,8%
	Auto Nejma	494	534	-7,5%	471	566	-16,8%	965	1 100	-12,3%
Port	Marsa Maroc	962	815	18,0%	1 031	927	11,2%	1 993	1 742	14,4%
	Managem	2 791	1 256	122,2%	2 675	1 755	52,4%	5 466	3 011	81,5%
	SMI	217	118	83,9%	202	178	13,5%	419	296	41,6%
	CMT	77	64	20,3%	136	127	7,1%	213	191	11,5%
	Disway	492	478	2,9%	481	446	7,8%	973	924	5,3%
	HPS	221	172	28,7%	259	221	17,2%	480	392	22,4%
IT	Microdata	NC	NC	-	NC	NC	-	NC	NC	-
	S2M	59	53	12,4%	70	58	21,8%	129	119	8,5%
	M2M Group	15	20	-25,0%	13	7	85,7%	28	27	3,7%
	Involys	NC	NC	-	NC	NC	-	NC	NC	-
	Eqdom	142	126	12,7%	164	158	3,8%	306	283	8,1%
	Maghrebail	923	903	2,2%	931	884	5,3%	1 854	1 786	3,8%
Financing	Maroc Leasing	95	72	31,9%	81	86	-5,5%	176	158	11,5%
	Salafin	94	98	-3,9%	101	95	6,2%	195	193	1,1%
	Lydec	1 696	1 644	3,2%	1 914	1 812	5,6%	3 610	3 456	4,5%
	Ennakl Automobiles	306	377	-18,9%	432	474	-8,9%	738	900	-18,1%
	Risma	150	94	59,6%	276	104	165,4%	427	203	110,3%
	Sothema	581	497	16,9%	581	497	16,9%	1 150	973	18,2%
Other	Promopharm	166	145	15,0%	156	131	18,7%	322	276	16,8%
	CTM	127	128	-0,8%	144	115	25,2%	271	243	11,5%
	Timar	159	131	21,6%	169	134	25,9%	328	265	23,8%
	Aradei Capital	118	96	22,5%	113	104	7,8%	230	200	14,8%
	Immorte Invest	15	15	1,3%	19	17	11,4%	34	32	6,3%
	Maghreb Oxygène	74	67	9,5%	78	62	25,5%	151	129	17,2%
	Fenie Brossette	136	119	14,3%	146	150	-2,7%	282	269	4,8%
	Stokvis Nord Afrique	51	75	-32,0%	60	108	-44,4%	111	188	-41,0%
	SRM	46	39	16,4%	101	66	53,7%	147	105	39,7%
	DLM	NC	NC	-	26	30	-15,2%	34	60	-43,8%
	Med Paper	29	16	87,3%	35	17	101,8%	64	33	94,9%
	Afric Industries	12	12	3,6%	9	14	-35,9%	22	26	-18,0%
	IB Maroc.com	NC	NC	-	NC	NC	-	NC	NC	-
	Stroc	16	10	62,0%	23	18	29,4%	39	28	41,2%
Balima	12	11	3,6%	12	12	-3,9%	23	23	-0,2%	
Zellidja	136	120	13,3%	146	151	-3,3%	282	271	4,1%	
Rebab Company	0,011	0,011	0,0%	0,012	0,012	0,0%	0,023	0,023	0,0%	

Sources: Press releases from listed companies, AGR Computations

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