

Initial Opinion	BUY
Release Date	06/17/2020
Initial Target Price	MAD 3,847

LABEL VIE	
Sector	RETAIL
Reuters	LBV.CS
Bloomberg	LBV MC

UNDER VALUATION	
Current Price	MAD 4,499
Upside	-
Investment Horizon	-

APPRECIABLE RESILIENCE OF RESULTS IN AN UNUSUAL INFLATIONARY CONTEXT

Growth still driven by the expansion of the distribution network

At the end of 2022, Label Vie's revenue stands at 13,947 Bn, slightly higher than our forecasts which anticipated an activity level of 13,556 Bn. Therefore, the Group recorded a sustained growth of +18.6% in 2022, the highest in the last decade. This performance is attributed to:

- A continued expansion of the operator's distribution network to 155 points of sale, through the opening of 1 Hypercash and 18 Supermarkets including 1 Supeco;
- A commercial effort on the prices of fresh products and 600 products of daily consumption. A strategy that has proven successful in an inflationary context.

A maintained profitability despite inflationary pressures

Label Vie's direct margin decreased by -0.5 pt from 12.2% in 2021 to 11.7% in 2022. Two factors are behind this change. Firstly, a significant increase in purchases by +18.9% which didn't be fully reflected in sales prices. Secondly, a product mix effect due to the increase in the contribution of the Hypercash segment to 35% of the Group's consolidated sales. It should be noted that this segment is characterized by a very competitive pricing policy.

In addition, the EBITDA margin was almost stable at 9.7%. This is due to the optimization of costs generated by economies of scale and the digitalization program initiated at the end of 2021.

Growth in current income greater than that of revenue

In 2022, Label Vie recorded an increase of +19.5% in its current income to MAD 769 Mn against an AGR estimate of MAD 730 Mn. This was supported in part by a better than expected improvement in financial income from MAD 12.8 Mn in 2021 to MAD 17.3 Mn in 2022.

The Group's reported profits jumped by 83.8% to MAD 748 Mn, taking into account a non-current income of nearly MAD 200 Mn. The latter concerns the sale of 19 assets to the REIT Terramis, 99.99% of which is owned by Label Vie.

Pending a re-evaluation of our target price for the stock, we maintain a positive opinion on the resilience of the Moroccan retail sector.

LABEL VIE : CONSOLIDATED RESULTS IN 2022 VS. AGR INITIAL FORECASTS

IN MAD MN	2021	2022	VAR 22R/21	2022E	VAR 22E/21	AR 2022E ⁽¹⁾
Revenue	11,758	13,947	+18.6%	13,556	+15.3%	103%
EBITDA	1,037	1,216	+17.3%	1,132	+9.2%	107%
EBITDA margin	9.8%	9.7%	-0.1 pt	9.2%	-0.6 pt	
Current income	644	769	19.5%	730	+13.5%	105%
NIGS	407	748	+83.8%	668	64.1%	112%
Net margin	3.8%	6.0%	+2.2 pts	5.5%	+1.7 pts	
Ordinary DPS (MAD)	70.4	86.36	+22.7%	86.35	+22.7%	100%
Extraordinary DPS (MAD)	69.1	-	-	-	-	-

(1) Achievement's rate, i.e. 2022 results/ AGR annual forecasts

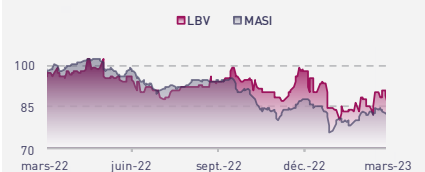
Maria IRAQI

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

Anass DRIF

Financial Analyst
+212 522 49 14 82
a.drif@attijari.ma

STOCK EVOLUTION (BASIS 100)



MARKET INDICATORS

Performances (%)	1 M	3 M	12 M
LABEL VIE	2.7	5.9	-6.3
MASI	-1.6	-6.2	-16.0

ADV (MAD Mn)	1 M	3 M	12 M
LABEL VIE	1.2	3.5	4.2
MASI	84	143	112

Capitalization	As at 03/10/2023
In MAD Mn	13,020
In \$ Mn	1,247

Prices at 03/10/2023

ATTIJARI GLOBAL RESEARCH

HEAD OF STRATEGY Taha Jaidi +212 5 29 03 68 23 t.jaidi@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 Walid Kabbaj +212 5 22 49 14 82 w.kabbaj@attijari.ma Casablanca
CHIEF ECONOMIST Abdelaziz Lahlou +212 5 29 03 68 37 ab.lahlou@attijari.ma Casablanca	MANAGER Maria Iraqi +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 Casablanca
SENIOR ANALYST Ines Khouaja +216 31 34 13 10 khouaja.ines@attijaribourse.com.tn Tunis	FINANCIAL ANALYST Ulديرic Djadjo +237 681 77 89 40 u.djadjo@attijarisecurities.com Douala	FINANCIAL ANALYST Yves André Angaman +225 07 49 24 60 35 yves.angaman@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
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CUSTODY - MOROCCO

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

WAEMU - CÔTE D'IVOIRE

Mohamed Lemridi +225 07 07 80 68 68 mohamed.lemridi@sib.ci
--

BROKERAGE - TUNISIA

Hichem Ben Romdhane +225 29 318 965 h.benrhondane@attijaribank.com.tns
--

CEMAC - CAMEROUN

Ernest Pouhe +237 651 23 51 15 e.pouhe@attijarisecurities.com

Bonds /Forex /Commodities

MOROCCO

Mohammed Hassoun Filali +212 5 22 42 87 24 m.hassounfilali@attijariwafa.com	Amine Elhajli +212 5 22 42 87 09 m.elhajli@attijariwafa.com	Loubaba Alaoui Mdaghri +212 6 47 47 48 34 l.alaouim@attijariwafa.com	Dalal Tahoune +212 5 22 42 87 07 d.tahoune@attijariwafa.com
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EGYPT

Ahmed Darwish +20 127 755 90 13 ahmed.darwish@attijariwafa.com.eg

TUNISIA

Atef Gabsi +216 71 80 29 22 gabsi.atef@attijaribank.com.tn
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MIDDLE EAST - DUBAI

Serge Bahaderian +971 0 43 77 03 00 sbahaderian@attijari-me.com

WAEMU - CÔTE D'IVOIRE

Abid Halim +225 20 20 20 01 55 abid.halim@sib.ci
--

CEMAC - GABON

Youssef Hansali +241 01 77 72 42 youssef.hansali@ugb-banque.com

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