

RESEARCH REPORT

EQUITY

JUNE
2023

Q1

Q2

Q3

Q4

| MOROCCO | QUARTERLY Results of listed companies

AN ALREADY EXPECTED SLOWDOWN IN REVENUE GROWTH IN Q1-23

Q3 | A revenue growth of almost 7% in Q1-23

Q4 | Disparate quarterly achievements within the listed banking sector



Attijari
Global Research

Report for institutional use

EXECUTIVE SUMMARY

During this first quarter of 2023, 67 listed companies released their operational achievements. These account for more than 99% of the market's capitalization. These quarterly publications appear in a context marked by the start of inflation slowdown in Morocco (falling from 10.1% in February to 8.2% in March and 7.8% in April) following the relative easing of commodity prices internationally.

Upon the analysis of the quarterly press releases of listed companies, we emerge with the following key messages:

- In Q1-23, the market's aggregate revenue recorded a growth of +6.8% against an average of +13.0% over the last 7 quarters. This results from a relatively less dynamic Demand combined with the decline in intrant prices. Accordingly, 50 listed companies recorded an improvement in their activity level at the end of March 2023, compared to 17 issuers whose revenue fell during the same period;
- The Energy sector remains the main contributor to the market's aggregate Turnover evolution through a change in its revenue of MAD +1,501 Mn. Meanwhile, the Mining sector shows a decline in its quarterly revenue, i.e. MAD -520 Mn in absolute terms and -16.9% in relative terms. This drop is justified by the correction in international metal prices;
- Given the +3.7% increase in its NBI and the continued improvement in the cost of risk by -5.5% in Q1-23, the earnings power of the listed banking sector rose by +2.5% to MAD 3.3 Bn. This performance is mainly driven by Attijariwafa bank Group.

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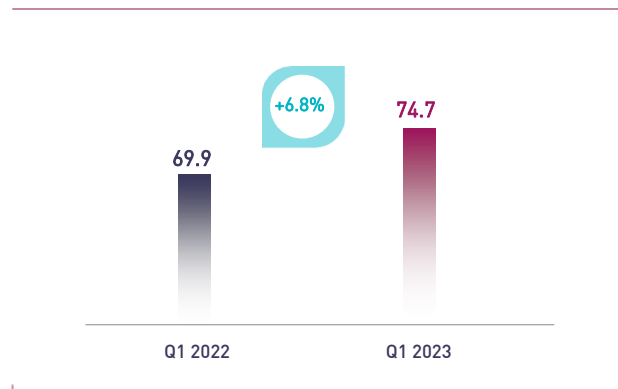
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A REVENUE GROWTH OF ALMOST 7% IN Q1-23

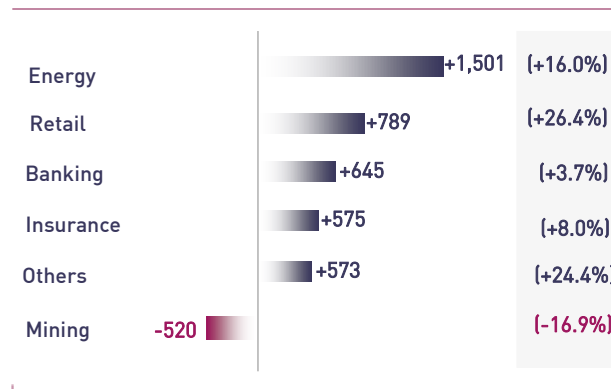
In Q1-23, we are witnessing a single-digit growth in the activity of listed companies, for the first time since FY 2021 start. Indeed, the market's aggregate revenue stands at MAD 74.7 Bn at the end of March 2023, up +6.8% against an average of +13.0% over the last 7 quarters. At the origin of this deceleration, a relatively less dynamic Demand combined with a visible easing of the main inputs' prices. When analyzing the activity's level evolution of the listed sectors at the end of Q1-23, we come out with the following observations:

- The Energy, Retail, Banking and Insurance sectors were the main contributors to the increase in the Equity market revenue. The latter display respective increases of MAD +1,501 Mn (+16.0%), MAD +789 Mn (+24.6%), MAD +645 Mn (+3.7%) and MAD +575 Mn (+8.0%) ;
- The Mining sector recorded an already expected decline of MAD -520 Mn in revenue. This evolution is attributed to the technical correction in metal prices after reaching all-time highs in 2022.

MARKET: EVOLUTION OF AGGREGATE REVENUE (MAD BN)



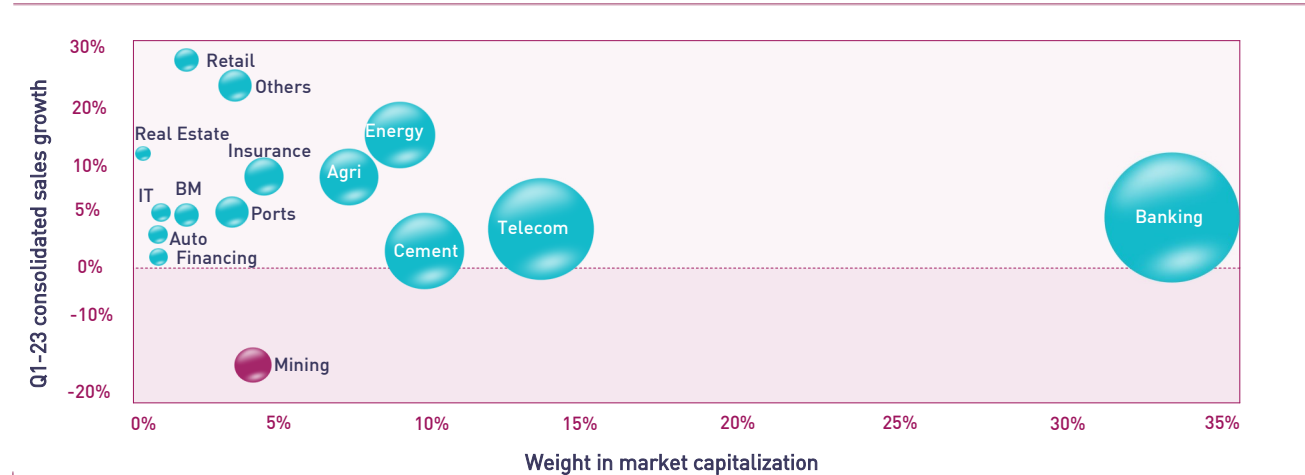
MARKET: CONTRIBUTION TO REVENUE GROWTH (MAD MN)



Based on the market weight of the various listed sectors, we note the following findings:

- 13 listed sectors, whose weight in the market's capitalization amounts to more than 84%, saw an improvement in their revenue during Q1-23. These are the sectors: Retail (+26.4%), Others (+24.4%), Energy (+16.0%), Real Estate (+11.8%), Insurance (+8.0%), Agri-business (+7.5%), Ports (+4.6%), IT (+4.5%), Construction (+4.4%), Banking (+3.7%), Telecom (+3.7%), Automotive (+2.5%) and Financing (+1.4%);
- The cement sector, which represents 10% of the global capitalization, recorded an almost stable cumulative revenue (+0.6%), despite the -5.3% drop in domestic consumption volumes. This results from the increase in export sales;
- Finally, only the Mining sector displayed a negative trend in its activity in Q1-23, i.e. an under-performance of -16.9%. The latter weighs nearly 5% of the market's capitalization.

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



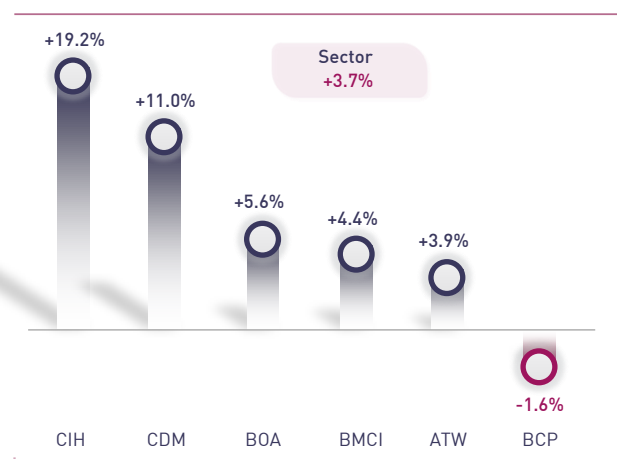
Sources: Press releases from listed companies, CSE, AGR Computations

DISPARATE QUARTERLY ACHIEVEMENTS WITHIN THE LISTED BANKING SECTOR

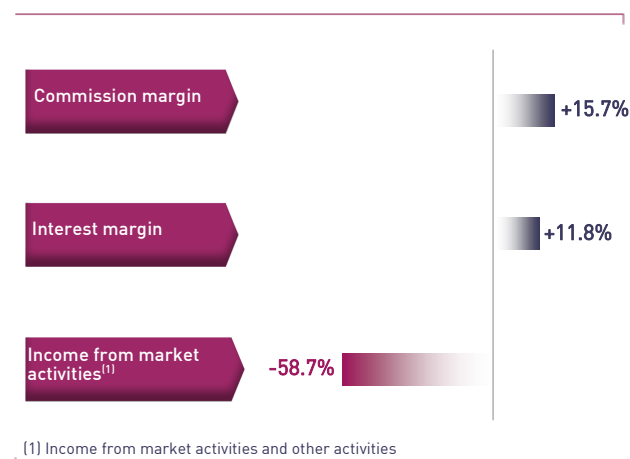
For the first quarter of 2023, the consolidated NBI of the six listed banks shows an increase of +3.7% to nearly MAD 18.0 Bn against MAD 17.4 Bn a year earlier. Analyzing the evolution of the aggregate NBI's various components within the listed banking sector, we notice the following trends:

- The positive contribution of the interest margin through a +11.8% performance supported by the cost of resources optimization ;
- The continued increase in the commission margin of +15.7%;
- The underperformance of income from market activities⁽¹⁾, i.e. -58.7% over the same period. This results from the unfavorable impact of rising rates on the performance of bond portfolios across the sector.

BANKING: CHANGE IN CONSOLIDATED NBI IN Q1-23

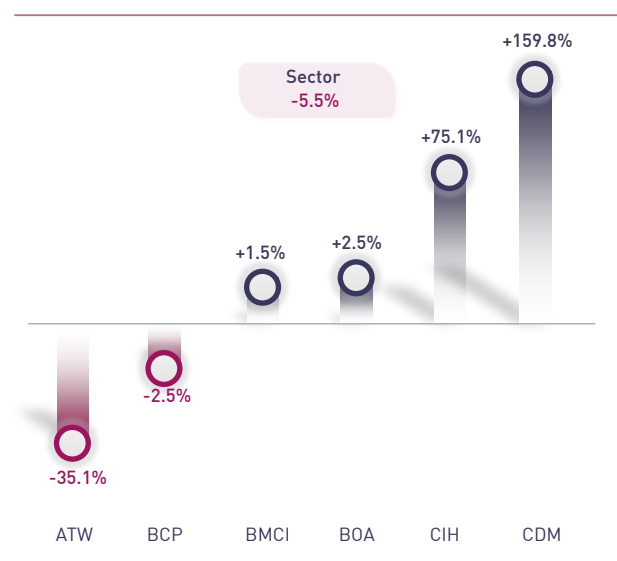


BANKING: EVOLUTION OF NBI COMPONENTS IN Q1-23

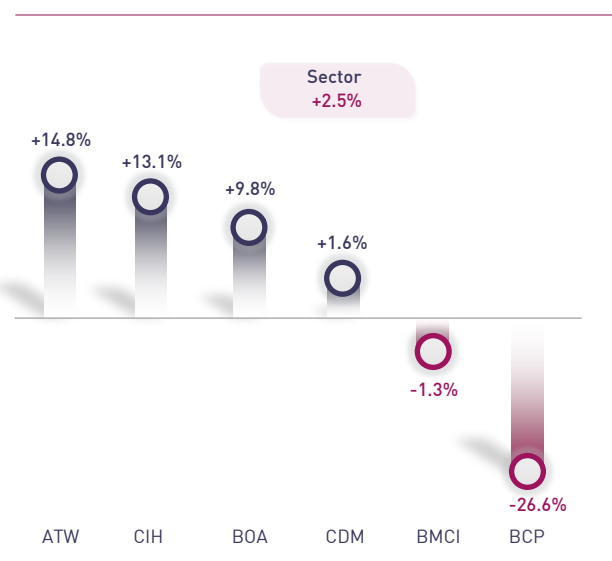


When reading the change in listed banks' cost of risk in Q1-23, we note that this indicator pursues its normalization through a further drop of -5.5%. An evolution mainly driven by the Attijariwafa bank Group, whose cost of risk improved by 35.1% during the same period. Accordingly, the aggregate profits of listed banks displays an increase of +2.5%, rising from MAD 3.2 Bn in Q1-22 to MAD 3.3 Bn in Q1-23.

BANKS: EVOLUTION OF THE COST OF RISK IN Q1-23



BANKS: EVOLUTION OF NIGS IN Q1-23



Sources: Financial Statements of listed banks, AGR Computations



QUARTERLY RESULTS

	In MAD Mn	Revenue/NBI		
		Q1-23	Q1-22	Change
Tel				
Maroc Telecom	9 093		8 770	3,7%
Cosumar	2 512		2 486	1,0%
Agri-Business				
Lesieur Cristal	1 827		1 644	11,1%
SBM	466		496	-6,0%
Oulmès	452		402	12,6%
Mutandis	518		421	23,0%
Dari Couspate	235		193	21,3%
Unimer	269		201	33,8%
Banks				
Attijariwafa bank	6 861		6 601	3,9%
BCP	4 822		4 902	-1,6%
BOA	3 834		3 630	5,6%
CIH Bank	969		812	19,2%
BMCI	792		759	4,4%
Crédit du Maroc	719		648	11,0%
Insurance				
Wafa Assurance	3 605		3 117	15,7%
Sanlam Maroc	2 193		2 045	7,2%
AtlantaSanad	1 893		1 960	-3,4%
AFMA	80		74	7,5%
Building Materials				
Sonasid	1 343		1 345	-0,1%
TGCC	1 228		1 128	8,9%
Delta Holding	600		598	0,3%
Jet Contractors	521		343	51,9%
Aluminium du Maroc	307		366	-16,1%
SNEP	272		311	-12,4%
Colorado	119		116	2,8%
CM				
LafargeHolcim Maroc	2 131		2 077	2,6%
Ciments du Maroc	918		955	-3,9%
Real Estate				
Addoha	572		509	12,4%
Alliances	523		471	11,0%
RDS	51		45	13,3%
Energy				
TotalEnergies Marketing Maroc	4 346		4 476	-2,9%
Taqa Morocco	4 090		2 658	53,9%
Afriqueia Gaz	2 449		2 250	8,8%
Retail				
Label Vie	3 777		2 988	26,4%
Auto				
Auto Hall	1 069		1 156	-7,5%
Auto Nejma	622		494	25,9%
Port				
Marsa Maroc	1 004		960	4,6%
Mining				
Managem	2 220		2 791	-20,5%
SMI	214		217	-1,4%
CMT	131		77	70,1%
IT				
Disway	481		492	-2,2%
HPS	265		221	19,9%
S2M	59		59	0,7%
M2M Group	17		15	13,3%
Eqdom	132		142	-7,0%
Financing				
Maghrebail	948		923	2,7%
Maroc Leasing	97		95	2,3%
Salafin	95		94	0,8%
Others				
Akdital	380		210	81,0%
Ennakl Automobiles	463		312	48,4%
Sothema	597		581	2,8%
Risma	273		150	82,0%
Promopharm	172		166	3,2%
CTM	144		127	13,4%
Timar	175		159	10,1%
Aradei Capital	142		118	21,0%
Fenie Brossette	151		136	11,0%
SRM	61		46	32,0%
Stokvis Nord Afrique	50		51	-2,0%
Maghreb Oxygène	71		74	-3,3%
Afric Industries	9		12	-28,1%
Med Paper	30		29	2,5%
Immorent Invest	16		15	2,6%
Stroc Industrie	27		16	66,0%
Balima	12		12	0,2%
Zellidja	151		136	11,0%
Rebab Company	0		0	-36,4%
DLM	NC		NC	NC
IB Maroc.com	NC		NC	NC

Sources: Press releases from listed companies, AGR Computations

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