

RESEARCH REPORT

EQUITY

SEPTEMBER
2023

Q1

Q2 | **MOROCCO** | QUARTERLY
Listed companies' results

Q3

Q4

A FURTHER SLOWDOWN OF GROWTH IN Q2-23

03 | Slowdown in revenue's growth for the 2nd consecutive quarter

04 | Banking sector: achievements above forecasts



Attijari
Global Research

Report for institutional use

EXECUTIVE SUMMARY

During the 2nd quarter of 2023, listed companies' achievements took place in a context marked by a slowdown in the inflation level in Morocco. The latter fell from a high of 10.1% in February to 5.5% in June 2023. At the same time, the growth rate of the economic activity would have continued its recovery during the same period at +3.2%.

At the end of Q2-23, 67 listed companies representing more than 99% of the market's capitalization released their quarterly indicators. Alongside our analysis, our main conclusions are as follows:

- For the 2nd consecutive quarter, we are witnessing a slowdown in listed companies revenue's growth. In fact, the market's aggregate revenue shows an improvement of +4.2% against +6.8% in Q1-23 and an average of +13.0% over the period 2021-2022. In our opinion, this is mainly a less favorable price effect following the decrease of input prices on an international scale;
- The banking sector is the main contributor to revenues growth of the Equity market in Q2-23, through a cumulative increase in its consolidated NBI of MAD +3,681 Mn (+20.0%). Conversely, the Energy sector's revenue declined by MAD -1,996 Mn (-17.7%) given the drop in sales volumes of TotalEnergies Marketing Maroc and the prices decrease of Afriquia Gaz;
- At the end of the 1st half of 2023, the market's aggregate revenue amounted to almost MAD 151 Bn, recording an increase of +5.5%. The listed sectors having posted the highest growth rates are Real Estate and Retail, with respective performances of +37.4% and +21.5%;
- The mid-term achievements of the listed banking sector are better than expected. This is an increase in NBI of +12.1% equivalent to a comfortable achievement rate of 54.0% compared to our 2023 annual forecasts. This outperformance is explained, in our opinion, by the recovery of equipment loans and a significant catch-up effect of market activities result.

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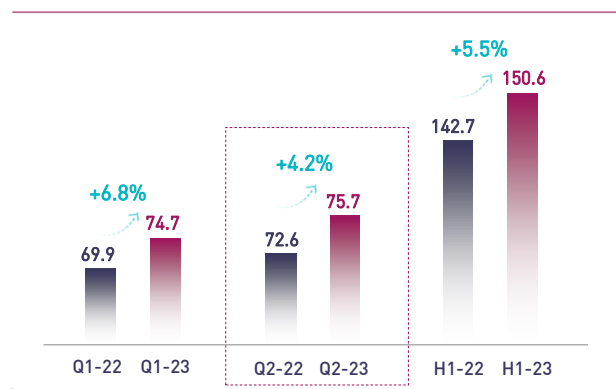
SLOWDOWN IN REVENUE'S GROWTH FOR THE 2ND CONSECUTIVE QUARTER

At the end of the 2nd quarter of 2023, the aggregate revenue of listed companies amounted to MAD 75.7 Bn, i.e. an increase of +4.2% after +6.8% in Q1-23 and +13.0% on a quarterly average during the period 2021-2022. The slowdown in listed companies revenue's growth is mainly attributed to a "price effect" within a context marked by the visible easing of international commodity prices.

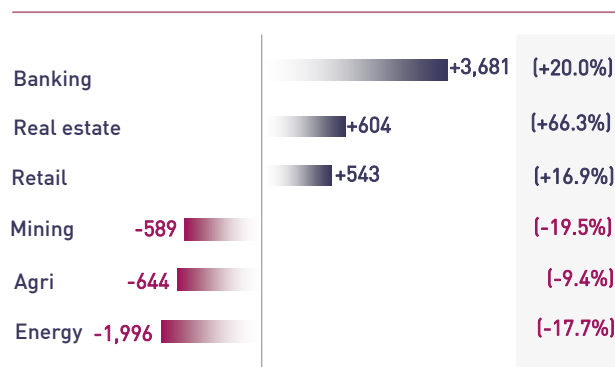
In more detail, the evolution of listed sectors 'activity in Q2-23 highlights two disparate trends:

- The Banking, Real Estate and Retail sectors showed a relatively significant increase in their quarterly revenues, thus contributing positively to the growth of the market's overall revenue. These are respective increases of MAD +3,681 Mn, MAD +604 Mn and MAD +543 Mn ;
- In the opposite, Energy, Agribusiness and Mining sectors recorded a decline in their revenues suffering from a negative price effect. These recorded respective drops of MAD -1,996 Mn, MAD -644 Mn and MAD -589 Mn.

MARKET: EVOLUTION OF AGGREGATE REVENUE (MAD BN)



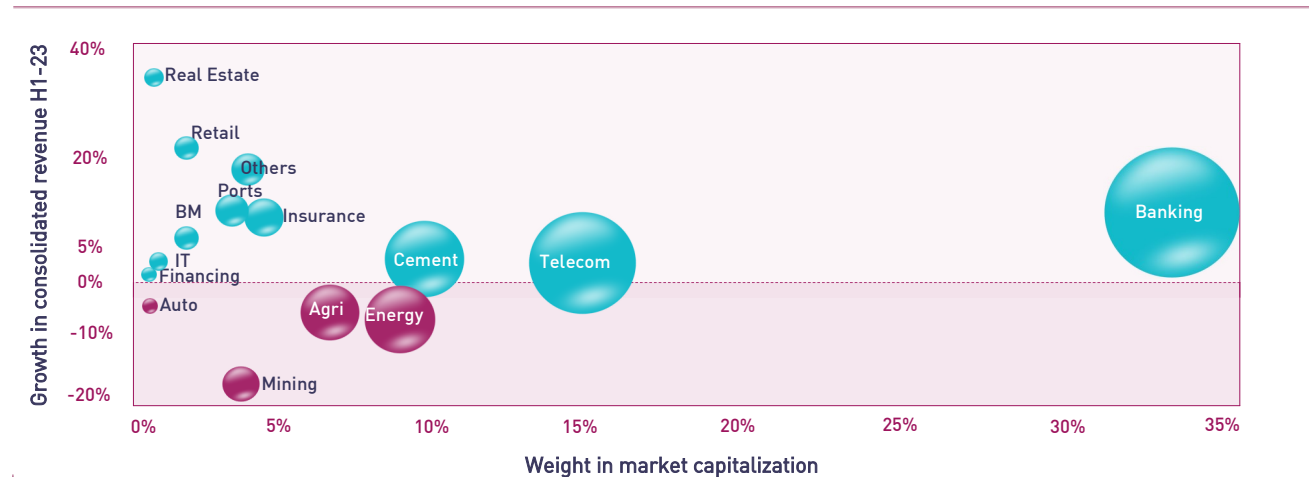
MARKET: QUARTERLY CONTRIBUTION TO REVENUE (MAD MN)



On a mid-term basis, the market's revenue posted an appreciation of +5.5% in H1-23 to MAD 150.6 Bn. Analyzing revenue growth of the different listed sectors at the end of June 2023, we emerge with the following findings:

- 11 listed sectors, representing nearly 80% of the Equity market's capitalization, contributed positively to the evolution of overall H1-23 revenues. These are more precisely the sectors: Real Estate (+37.4%), Retail (+21.5%), Others (+18.3%), Banking (+12.1%), Ports (+6.3%), Insurance (+6.2%), Building Materials (+5.3%), Telecom (+4.7%), Cement (+4.3%), IT (+2.3%) and Financing (+0.9%);
- 4 listed sectors, whose market capitalization weight amounts to 20.0%, recorded a drop in their H1-23 revenue. These are the sectors: Mining (-18.2%), Automotive (-4.1%), Energy (-2.4%) and Agribusiness (-1.7%).

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



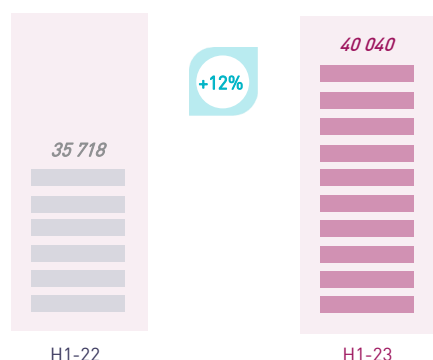
Sources: Press releases from listed companies, CSE, AGR Computations

BANKING SECTOR: ACHIEVEMENTS ABOVE FORECASTS

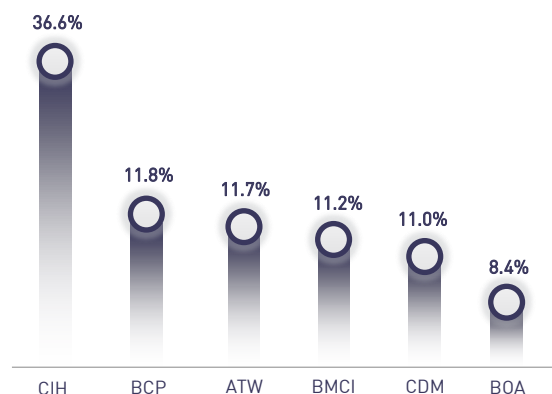
During our last editions of the AGR House View [Cf. *AGR House View August 2023*], we highlighted the resilience of the banking sector as well as the good visibility which it provides in terms of profit growth and dividend. The achievements in H1-23 confirm our opinion. In fact, the consolidated NBI of the banking sector increased from MAD 35.7 Bn at the end of June 2022 to MAD 40.0 Bn at the end of June 2023, showing a double-digit growth of +12.1%. This was driven by the good performance of all components of NBI: the interest margin, the commission margin and the market activities result.

CIH Bank shows a significant increase in its NBI, i.e. +36.6% [Cf. *CIH Bank Note*], followed by BCP and Attijariwafa bank with respective increases of +11.8% and +11.7%.

LISTED BANKS: AGGREGATE NBI IN H1-23 (MAD MN)



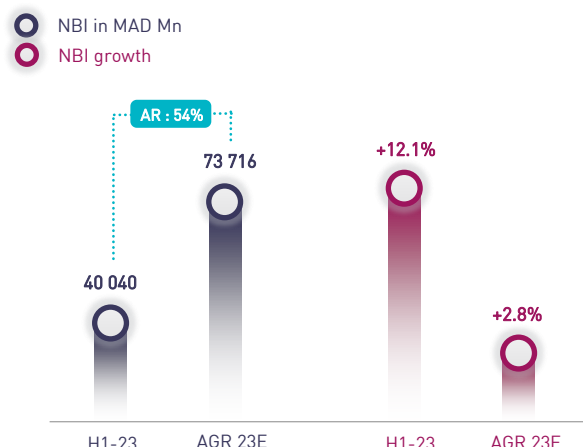
LISTED BANKS: GROWTH IN NBI IN H1-23



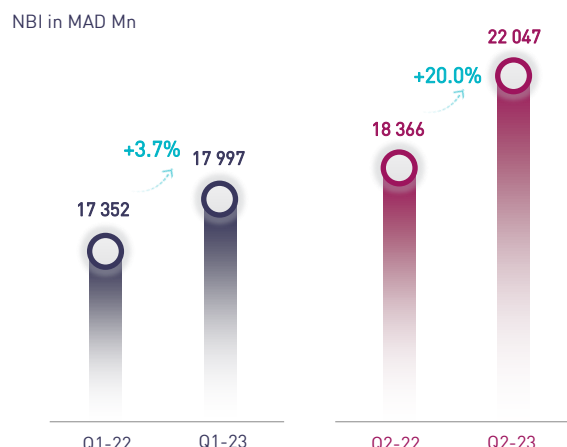
At the end of June 23, the six listed banks posted a growth in their consolidated NBI higher than our forecasts published last July. This is an increase of +12.1% in H1-23 compared to AGR forecast of +2.8% for the whole FY, i.e. a comfortable achievement rate of 54% [Cf. *Situation of Listed Banks in Morocco 2022*]. In more detail, we notice an acceleration in the growth of aggregate NBI during Q2-23 to +20.0% compared to only +3.7% in Q1-23. Analyzing the press releases of listed banks, we note a significant catch-up effect of market activities result:

- BCP : market activities result jumped by +106% in Q2-23 against a decline of -71% in Q1-23;
- BMCI : market activities result surged by +136% in Q2-23 against a stagnation in Q1-23;
- CDM : market activities result pursues its increase, i.e. +30% in Q2-23 against +27% in Q1-23.

LISTED BANKS: ACHIEVEMENTS VS. AGR FORECASTS



LISTED BANKS: QUARTERLY EVOLUTION OF NBI



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



QUARTERLY RESULTS

	Revenue/NBI			Revenue/NBI			Revenue/NBI			
	In MAD Mn	Q1-23	Q1-22	Change	Q2-23	Q2-22	Change	H1-23	H1-22	Change
Tel.										
Maroc Telecom	9 093	8 770	3,7%	9 306	8 798	5,8%	18 399	17 568	4,7%	
Cosumar	2 512	2 486	1,0%	2 446	2 590	-5,6%	4 958	5 076	-2,3%	
Agri-Business										
Lesieur Cristal	1 827	1 644	11,1%	1 212	1 954	-38,0%	3 039	3 598	-15,5%	
SBM	466	496	-6,0%	747	602	24,1%	1 213	1 098	10,5%	
Oulmès	452	402	12,6%	683	566	20,5%	1 135	968	17,2%	
Mutandis	518	421	23,0%	582	598	-2,7%	1 100	1 020	7,8%	
Dari Couspate	235	193	21,3%	193	178	9,0%	428	371	15,4%	
Unimer	269	201	33,8%	347	366	-5,2%	616	568	8,5%	
Banks										
Attijariwafa bank	6 861	6 601	3,9%	7 739	6 472	19,6%	14 600	13 073	11,7%	
BCP	4 822	4 902	-1,6%	6 878	5 559	23,7%	11 700	10 462	11,8%	
BOA	3 834	3 630	5,6%	4 571	4 125	10,8%	8 405	7 754	8,4%	
CIH Bank	969	812	19,2%	1 250	812	54,0%	2 219	1 624	36,6%	
BMCI	792	759	4,4%	902	761	18,5%	1 690	1 520	11,2%	
Crédit du Maroc	719	648	11,0%	707	637	11,0%	1 426	1 285	11,0%	
Insurance										
Wafa Assurance	3 605	3 117	15,7%	2 928	2 776	5,5%	6 533	5 894	10,8%	
Sanlam Maroc	2 193	2 045	7,2%	1 300	1 322	-1,7%	3 493	3 367	3,7%	
AtlantaSanad	1 893	1 960	-3,4%	1 192	1 122	6,2%	3 085	3 082	0,1%	
AFMA	80	74	7,5%	64	60	6,7%	144	135	6,7%	
Building Materials										
Sonasis	1 343	1 345	-0,1%	1 200	1 107	8,4%	2 543	2 452	3,7%	
TGCC	1 228	1 128	8,9%	1 685	1 222	37,9%	2 913	2 326	25,3%	
Delta Holding	600	598	0,3%	723	670	7,9%	1 323	1 267	4,4%	
Jet Contractors	521	343	51,9%	514	695	-26,1%	1 035	1 038	-0,3%	
Aluminium du Maroc	307	366	-16,1%	292	360	-18,9%	599	726	-17,5%	
SNEP	272	311	-12,4%	206	313	-34,2%	478	624	-23,3%	
Colorado	119	116	2,8%	178	174	2,0%	297	290	2,3%	
Cement										
LafargeHolcim Maroc	2 131	2 077	2,6%	1 999	1 927	3,7%	4 130	4 004	3,1%	
Ciments du Maroc	918	955	-3,9%	954	852	12,0%	2 159	2 024	6,7%	
Real Estate										
Addoha	572	509	12,4%	833	307	171,3%	1 405	816	72,2%	
Alliances	523	471	11,0%	480	355	35,2%	1 003	826	21,4%	
RDS	51	45	13,3%	202	249	-18,9%	253	294	-13,9%	
Energy										
TotalEnergies Marketing Maroc	4 346	4 476	-2,9%	3 917	5 032	-22,2%	8 263	9 508	-13,1%	
Taqva Morocco	4 090	2 658	53,9%	3 359	3 246	3,5%	7 448	5 906	26,1%	
Afriquegaz	2 449	2 250	8,8%	1 983	2 977	-33,4%	4 432	5 226	-15,2%	
Retail										
Label Vie	3 777	2 988	26,4%	3 756	3 213	16,9%	7 533	6 201	21,5%	
Auto										
Auto Hall	1 069	1 156	-7,5%	1 131	1 308	-13,5%	2 200	2 464	-10,7%	
Auto Nejma	622	494	25,9%	466	471	-1,1%	1 088	965	12,7%	
Port										
Marsa Maroc	1 004	960	4,6%	1 115	1 033	7,9%	2 119	1 993	6,3%	
Mining										
Managem	2 220	2 791	-20,5%	1 962	2 675	-26,7%	4 181	5 466	-23,5%	
SMI	214	217	-1,4%	318	202	57,4%	532	419	27,0%	
CMT	131	77	70,1%	144	136	5,9%	275	213	29,1%	
IT										
Disway	481	492	-2,2%	443	481	-7,9%	924	973	-5,0%	
HPS	265	221	19,9%	297	260	14,2%	562	481	16,8%	
S2M	59	59	0,7%	70	70	0,0%	130	129	0,3%	
M2M Group	17	15	13,3%	16	13	23,1%	33	28	17,9%	
Financing										
Eqdom	132	142	-7,0%	161	165	-2,4%	293	307	-4,6%	
Maghrebail	948	923	2,7%	942	931	1,2%	1 890	1 854	1,9%	
Maroc Leasing	97	95	2,3%	82	81	1,1%	180	176	1,7%	
Salafin	95	94	0,8%	97	101	-3,8%	192	195	-1,6%	
Others										
Akdital	380	210	81,0%	443	241	83,8%	823	450	82,9%	
Ennakl Automobiles	463	312	48,4%	508	425	19,5%	953	725	31,4%	
Sothema	597	581	2,8%	612	570	7,4%	1 184	1 150	3,0%	
Risma	273	150	82,0%	320	276	15,9%	594	427	39,1%	
Promopharm	172	166	3,2%	188	156	20,8%	360	322	11,7%	
CTM	144	127	13,4%	149	144	3,5%	293	271	8,1%	
Timar	175	159	10,1%	161	170	-5,3%	335	329	1,8%	
Aradei Capital	142	118	21,0%	153	113	35,9%	295	230	28,3%	
Fenie Brossette	151	136	11,0%	156	146	6,8%	307	282	8,9%	
SRM	61	46	32,0%	71	101	-30,3%	131	147	-10,8%	
Stokvis Nord Afrique	50	51	-2,0%	33	60	-45,0%	83	111	-25,2%	
Maghreb Oxygène	71	74	-3,3%	73	78	-5,8%	144	151	-4,6%	
Afric Industries	9	12	-28,1%	10	9	5,9%	19	22	-13,5%	
Med Paper	30	29	2,5%	26	35	-27,4%	56	64	-13,8%	
Immoriente Invest	16	15	2,6%	18	19	-1,1%	34	34	0,9%	
Stroc Industrie	27	16	66,0%	24	23	6,6%	51	39	31,3%	
Balima	12	12	0,2%	12	12	1,3%	24	23	1,6%	
Zellidja	151	136	11,0%	156	146	6,8%	307	282	8,9%	
Rebab Company	0,007	0,011	-36,4%	0,008	0,012	-33,3%	0,015	0,023	-34,8%	

Sources: Press releases from listed companies, AGR Computations

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