

RESEARCH REPORT

EQUITY

DECEMBER
2023

Q1

Q2

Q3

Q4

| MOROCCO | QUARTERLY
Listed companies results

A NEGATIVE REACTION OF THE MASI TO ACHIEVEMENTS AT THE END OF SEPT. 2023

03 | Revenue's growth to be put into perspective...mainly driven by banks

04 | The banking sector crossed a new threshold in terms of profit



Attijari
Global Research

Report for institutional use

EXECUTIVE SUMMARY

At the end of the 3rd quarter of 2023, the 67 listed companies having released their quarterly results showed a modest growth in their revenue of +4.8% to MAD 74.4 Bn. This continued slowdown in market's revenue evolution since Q2-23, is justified by the easing of inflationary tensions combined with the weak dynamism of domestic Demand.

Overall, the operational achievements of listed companies seem below investors' expectations. In fact, the Equity market recorded a decline of -2.0%^[1] since the start of the 3rd quarter results release period in November 2023. In our opinion, the achievements of listed companies didn't allow to mitigate the bearish trend of the Equity market within an unfavorable international and geopolitical context.

Upon the analysis of listed companies' activity evolution, we note the following points:

- Revenue's growth in Q3-23 is mainly driven by the banking sector, whose aggregate NBI increased by +21.7% at the end of the same period. Excluding Banks, the market's cumulative revenue recorded a decline of -0.5% to MAD 54 Bn;
- During the first nine months of 2023, the stock market's revenue recorded an increase of +5.3% to MAD 225 Bn. This is due to the recovery in the Real Estate (+30.7%), Retail (+15.8%) and Banking (+15.2%) sectors. However, the Mining (-13.9%) and Energy (-9.4%) sectors suffered from prices' drop of base metals and energy products such as Brent, Coal and Gas ;
- The banking sector continues to stand out through the growth resilience of its NBI's different components. Despite the increase in the cost of risk of almost +20.0%, the earning power of the banking sector crossed a new threshold, i.e. an aggregate NIGS of MAD 12.7 Bn.

Maria IRAQI

Manager
+212 5 29 03 68 01
m.iraqui@gattijari.ma

Anass DRIF

Financial Analyst
+212 5 22 49 14 82
a.drif@gattijari.ma

[1] Evolution at the end of November compared to the end of October 2023

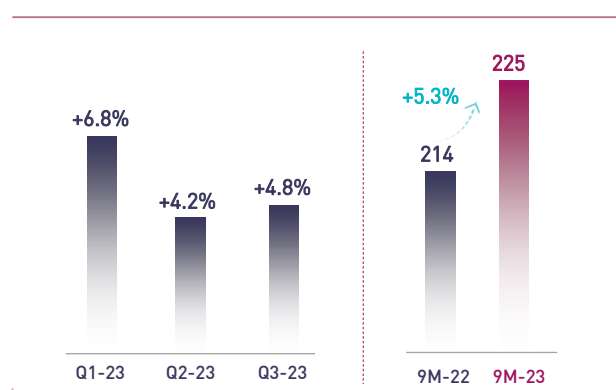
REVENUE'S GROWTH TO BE PUT INTO PERSPECTIVE...MAINLY DRIVEN BY BANKS

At the end of the 3rd quarter of 2023, listed companies showed a modest growth in their activity. Indeed, the aggregate revenue amounted to MAD 74.4 Bn, up +4.8% in Q3-23 compared to +4.2% in Q2-23. This is attributed to the positive contribution of the banking sector whose NBI jumped by +21.7% during the same period. Excluding banks, market's aggregate revenue appears almost stable at nearly MAD 54.0 Bn (-0.5%).

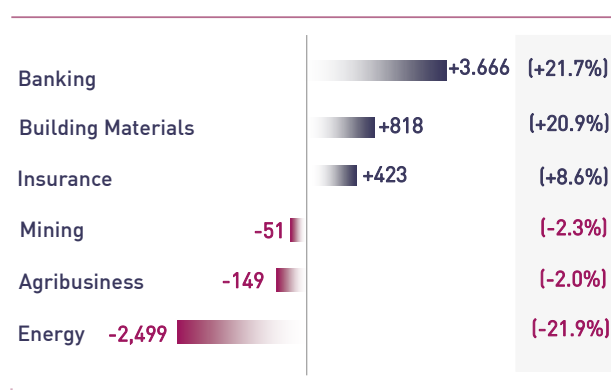
Analyzing the operational performances of the different listed sectors, we emerge with the following findings:

- The **Banking** sector shows a significant increase in its NBI, i.e. MAD +3,666 Mn (+22%). This is followed by the **Building Materials** sector whose cumulative revenue surged by MAD +818 Mn (+21%) during Q3-23. TGCC Group explains most of this increase with a revenue of MAD 1,979 Mn in Q3-23 (MAD +868 Mn);
- The **Energy** sector shows a significant drop in its revenue of MAD -2,499 Mn (-22%) given a technical effect relating to the evolution of the barrel's price. To a lesser extent, the **Agribusiness** sector showed a contraction of MAD -149 Mn in its revenue, followed by **Mining** companies (MAD -51 Mn).

MARKET: EVOLUTION OF AGGREGATE REVENUE (MAD MN)



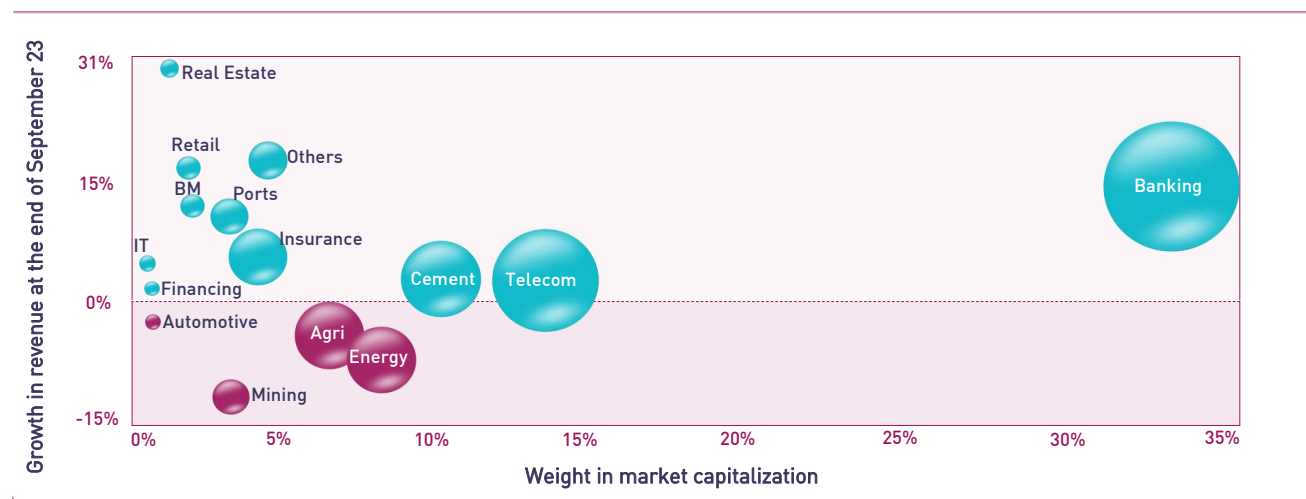
MARKET: QUARTERLY CONTRIBUTION TO REVENUE (MAD MN)



During the first nine months of 2023, the Equity market posted an aggregate revenue of MAD 225 Bn, up 5.3% year-on-year. In more detail, we note the following observations:

- 10 listed sectors, which represent more than 75% of the overall market capitalization, show an appreciation of their cumulative revenue at the end of September 2023. These are the following sectors: Real estate (+30.7%), Retail (+15.8%), Banking (+15.2%), Building Materials (+10.7%), Ports (+8.9%), Insurance (+6.9%), IT (+4.4%), Telecom (+3.2%), Cement (+3.2%) and Financing (+1.5%);
- 4 listed sectors, which represent more than 19% of market capitalization, recorded a drop in their revenue at the end of September 2023, namely: Mining (-13.9%), Energy (-9.4%), Automotive (-2.9%) and Agribusiness (-1.6%).

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



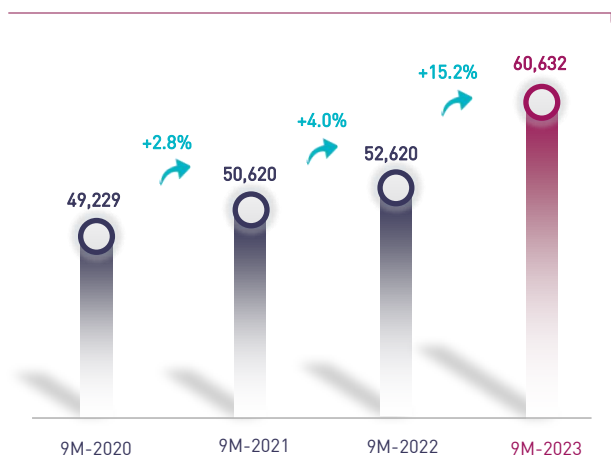
Sources: Listed companies press releases, CSE, AGR Computations

THE BANKING SECTOR CROSSED A NEW THRESHOLD IN TERMS OF PROFIT

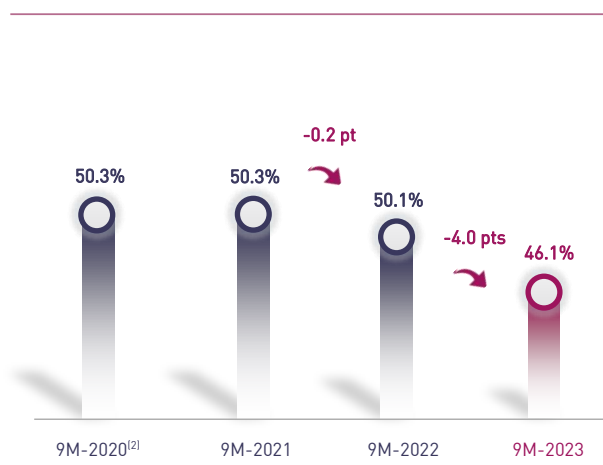
Listed banks operational and financial achievements reached historic levels at the end of 9M-2023, thus confirming the resilience of the sector's growth. In more detail:

- The aggregate NBI of listed banks jumped by +15.2% to more than MAD 60 Bn. This is the highest rease in the sector's consolidated revenue since the start of listed banks' quarterly publications in 2017. This performance is driven by the different components of NBI, namely: the result of market activities⁽¹⁾ (+73.1%), commission margin (+11.3%) and interest margin (+7.2%);
- Despite the contribution of the various banks to the special earthquake fund, the sector's cost/income ratio fell from 50.1% to 46.1% over the period under study, i.e. an improvement of 4.0 pts. This is attributed to NBI's sustained growth combined with the continuous efforts of the Management in terms of cost control.

LISTED BANKS: CONSOLIDATED NBI (MAD MN)

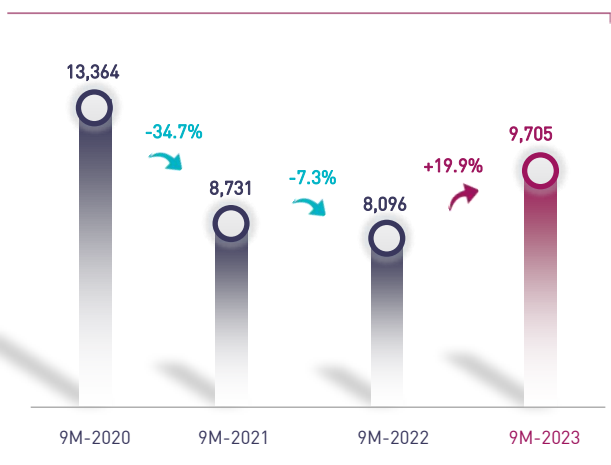


LISTED BANKS: COST/INCOME RATIO

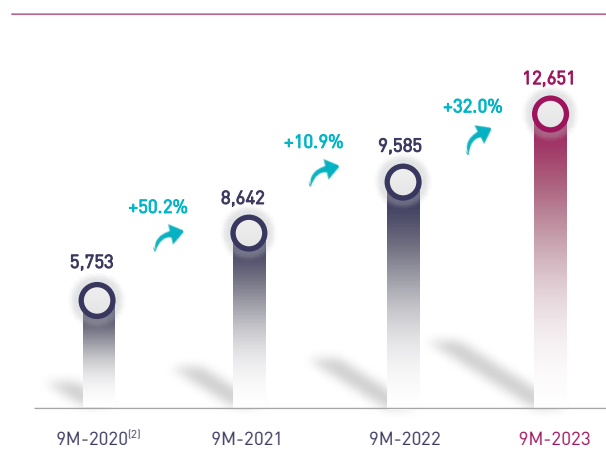


- After two consecutive years of the cost of risk normalization, it shows a significant increase of almost +20.0% to more than MAD 9.0 Bn. Two main factors justify this increase. This concerns the deterioration of the sovereign ratings of some African countries and the allowances recorded by CIH Bank following anomalies observed in the Factoring activity;
- Despite the aforementioned increase in the cost of risk, the aggregate NIGS of listed banks crossed upward the threshold of MAD 12 Bn, thus recording an increase of +32.0% to MAD 12.7 Bn. Note that these profits include donations to the earthquake fund.

LISTED BANKS: CONSOLIDATED COST OF RISK (MAD MN)



LISTED BANKS: AGGREGATE NIGS (MAD MN)



(1) Market activities and other activities

(2) Excluding Covid donation paid in 2020

Sources: Consolidated financial statements of listed banks, AGR Computations & Estimates



QUARTERLY RESULTS

	IN MAD MN	Revenue/NBI			Revenue/NBI			Revenue/NBI			Revenue/NBI		
		T1-23	T1-22	Var	T2-23	T2-22	Var	T3-23	T3-22	Var	Sept-23	Sept-22	Var
Tel	Maroc Telecom	9 093	8 770	3,7%	9 306	8 798	5,8%	9 279	9 240	0,4%	27 679	26 808	3,2%
	Cosumar	2 512	2 486	1,0%	2 446	2 590	-5,6%	2 700	2 823	-4,4%	7 658	7 899	-3,1%
Agri-Business	Lesieur Cristal	1 827	1 644	11,1%	1 212	1 954	-38,0%	1 510	1 641	-8,0%	4 549	5 239	-13,2%
	SBM	466	496	-6,0%	747	602	24,1%	973	995	-2,2%	2 186	2 093	4,4%
	Dulmès	452	402	12,6%	683	566	20,5%	821	698	17,6%	1 956	1 666	17,4%
	Mutandis	518	421	23,0%	582	598	-2,7%	703	708	-0,7%	1 847	1 729	6,8%
	Dari Couspate	235	193	21,3%	193	178	9,0%	174	185	-5,7%	602	556	8,4%
Banks	Unimer	269	201	33,8%	347	366	-5,2%	379	360	5,3%	1 001	934	7,2%
	Attijariwafa bank	6 861	6 401	3,9%	7 744	6 472	19,4%	7 683	6 662	15,3%	22 288	19 735	12,9%
	BCP	4 822	4 902	-1,6%	6 920	5 559	24,5%	5 911	4 370	35,3%	17 653	14 832	19,0%
	BOA	3 834	3 630	5,6%	4 543	4 125	10,1%	4 222	3 600	17,3%	12 599	11 355	11,0%
	BMCI	792	759	4,4%	902	761	18,5%	875	745	17,4%	2 570	2 265	13,5%
Insurance	CIH Bank	969	812	19,2%	1 250	812	54,0%	1 108	885	25,1%	3 327	2 510	32,6%
	Crédit du Maroc	719	648	11,0%	707	637	11,0%	770	640	20,3%	2 196	1 925	14,1%
	Wafa Assurance	3 605	3 117	15,7%	2 928	2 776	5,5%	3 119	2 560	21,8%	9 652	8 454	14,2%
	AtlantaSanad	1 893	1 960	-3,4%	1 192	1 122	6,2%	906	1 063	-14,8%	3 991	4 145	-3,7%
	Sanlam Maroc	2 193	2 045	7,2%	1 300	1 322	-1,7%	1 281	1 263	1,4%	4 774	4 629	3,1%
Building Materials	AFMA	80	74	7,5%	64	60	6,7%	49	46	6,5%	193	180	7,2%
	Sonasis	1 343	1 345	-0,1%	1 200	1 107	8,4%	1 126	1 196	-5,9%	3 669	3 648	0,6%
	TGCC	1 228	1 128	8,9%	1 685	1 222	37,9%	1 979	1 111	78,1%	4 943	3 437	43,8%
	Delta Holding	600	598	0,3%	723	670	7,9%	737	625	17,9%	2 060	1 893	8,8%
	Jet Contractors	521	343	51,9%	514	695	-26,1%	383	343	11,5%	1 373	1 323	3,8%
Cement	GNEP	272	311	-12,4%	206	313	-34,2%	159	221	-28,4%	637	845	-24,6%
	Aluminium du Maroc	307	366	-16,1%	292	360	-18,9%	189	242	-21,8%	788	968	-18,6%
	Colorado	119	116	2,8%	178	174	2,0%	163	178	-8,7%	460	468	-1,9%
	LafargeHolcim Maroc	2 131	2 077	2,6%	1 999	1 927	3,7%	1 952	1 898	2,8%	6 082	5 903	3,0%
	Ciments du Maroc	918	955	-3,9%	854	852	12,0%	880	848	2,8%	2 656	2 656	0,0%
Real Estate	Addoha	572	509	12,4%	833	307	171,3%	346	327	5,8%	1 752	1 143	53,3%
	Alliances	523	471	11,0%	480	355	35,2%	502	405	24,0%	1 505	1 231	22,3%
	RDS	51	45	13,3%	202	249	-18,9%	117	107	9,3%	370	401	-7,7%
Energy	TotalEnergies Marketing Maroc	4 346	4 476	-2,9%	3 917	5 032	-22,2%	4 141	5 305	-21,9%	12 404	14 813	-16,3%
	Taqd Morocco	4 090	2 658	53,9%	3 359	3 246	3,5%	2 983	3 839	-22,3%	10 431	9 745	7,0%
Retail	Afriquia Gaz	2 449	2 250	8,8%	1 983	2 977	-33,4%	1 766	2 245	-21,3%	6 198	7 472	-17,1%
	Label Vie	3 777	2 988	26,4%	3 756	3 213	16,9%	4 294	4 016	6,9%	11 827	10 217	15,8%
Auto	Auto Hall	1 069	1 156	-7,5%	1 131	1 308	-13,5%	1 356	1 201	12,9%	3 553	3 664	-3,0%
	Auto Nejma	622	494	25,9%	466	471	-1,1%	505	671	-24,7%	1 593	1 636	-2,6%
Port	Marsa Maroc	1 004	960	4,6%	1 115	1 033	7,9%	1 112	971	14,5%	3 230	2 965	8,9%
	Managem	2 220	2 791	-20,5%	1 962	2 675	-26,7%	1 757	1 910	-8,0%	5 939	7 376	-19,5%
Mining	SMI	214	217	-1,4%	318	202	57,4%	248	136	82,4%	780	555	40,5%
	CMT	131	77	70,1%	144	136	5,9%	172	172	-5,8%	437	385	13,5%
IT	Disway	481	492	-2,2%	443	481	-7,9%	462	397	16,6%	1 360	1 370	-0,7%
	HPS	265	221	19,9%	297	260	14,2%	278	253	9,5%	842	734	14,7%
	S2M	59	59	0,7%	70	70	0,0%	57	58	-1,2%	187	187	-0,4%
Financing	M2M Group	17	15	13,3%	16	13	23,1%	13	13	0,0%	46	41	12,2%
	Egdom	132	142	-7,0%	161	165	-2,4%	124	134	-7,0%	417	441	-5,4%
	Maghrebaal	948	923	2,7%	942	931	1,2%	961	948	1,4%	2 851	2 802	1,7%
	Maroc Leasing	97	95	2,3%	81	81	1,1%	93	64	46,5%	273	240	13,6%
	Salafin	95	94	0,8%	97	101	-3,8%	98	95	3,0%	290	290	-0,1%
Others	Akdital	380	210	81,0%	443	241	83,8%	507	265	91,3%	1 330	716	85,8%
	Ennakl Automobiles	463	312	48,4%	508	425	19,5%	481	346	38,8%	1 440	1 076	33,8%
	Risma	273	150	82,0%	320	276	15,9%	286	296	-3,4%	880	723	21,7%
	Sothema	597	581	2,8%	612	570	7,4%	598	523	14,3%	1 782	1 673	6,5%
	Promopharm	172	166	3,2%	211	174	21,8%	183	161	13,3%	566	501	12,9%
	CTM	144	127	13,4%	149	144	3,5%	209	202	3,5%	503	473	6,3%
	Timar	175	159	10,1%	161	170	-5,3%	154	166	-7,2%	490	495	-1,0%
	Aradei Capital	142	118	21,0%	153	113	35,9%	137	121	13,1%	432	351	23,1%
	Immoriente Invest	16	15	2,6%	18	19	-1,1%	18	17	9,7%	52	50	3,6%
	Maghreb Oxygène	71	74	-3,3%	73	78	-5,8%	67	71	-6,5%	211	223	-5,1%
	Fenie Brossette	151	136	11,0%	156	146	6,8%	128	148	-13,5%	435	430	1,2%
	Stokvis Nord Afrique	50	51	-2,0%	33	60	-45,0%	25	33	-24,2%	108	144	-25,0%
	SRM	61	46	32,0%	71	101	-30,3%	53	65	-18,5%	179	212	-15,7%
	DLM	NC	NC	-	NC	NC	-	NC	NC	-	NC	NC	-
	Med Paper	30	29	2,5%	26	35	-27,4%	25	35	-28,6%	80	99	-19,0%
Afric Industries	9	12	-28,1%	10	9	5,9%	14	10	38,5%	33	32	2,9%	
IB Maroc.com	NC	NC	-	NC	NC	-	NC	NC	-	NC	NC	-	
Stroc Industrie	27	16	66,0%	24	23	-	16	17	-7,6%	65	56	15,3%	
Balima	12	12	0,2%	12	12	1,3%	12	12	2,5%	36	35	2,5%	
Zellidja	151	136	11,0%	156	146	6,8%	138	148	-6,8%	435	430	1,2%	
Rebab Company	0	0	-36,4%	0	0	-33,3%	0	0	0,0%	0	0	0,0%	

Sources: Listed companies press releases, CSE, AGR Computations

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.iraqi@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

FINANCIAL ANALYST

Anass Drif
+212 5 22 49 14 82
a.drif@attijari.ma
Casablanca

SENIOR ANALYST

Inès Khouaja
+216 31 34 13 10
khouaja.ines@attijaribourse.com.tn
Tunis

FINANCIAL ANALYST

Ulдерic Djado
+216 681 77 89 40
u.djado@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

CUSTODY - MOROCCO

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

WAEMU - CÔTE D'IVOIRE

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

BROKERAGE - TUNISIA

Hichem Ben Romdhane
+216 71 10 89 00
h.benromdhane@attijaribank.com.tn

CEMAC - CAMEROUN

Ernest Pouhe
+237 67 41 19 567
e.pouhe@attijarisecurities.com

Bonds /Forex /Commodities

MOROCCO

Mohammed Hassoun Filali
+212 5 22 42 87 09
m.hassounfilali@attijariwafa.com

Amine Elhajli
+212 5 22 42 87 09
a.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

EGYPT

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

TUNISIA

Atef Gabsi
+216 71 80 29 22
gabsi.atef@attijaribank.com.tn

MIDDLE EAST - DUBAI

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

WAEMU - CÔTE D'IVOIRE

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

CEMAC - GABON

Youssef Hansali
+33 6 19 92 44 09
youssef.hansali@ugb-banque.com

DISCLAIMER

RISKS
Investment in Securities is a risky operation. This document is intended for informed investors. The value and yield of an investment can be influenced by several factors both economic and technical. Previous performances of the different assets classes do not constitute a guarantee for subsequent achievements. Furthermore, forecast of future achievements may be based on assumptions that could not be realized.

LIABILITY LIMITS
The investor acknowledges that these opinions constitute an element of decision support. He assumes full responsibility for his investment choices. Attijari Global Research can't be considered responsible for his investment choices. This document can under no circumstances be considered as an official confirmation of a transaction addressed to a person or entity and no guarantee can be made that this transaction will be concluded on the basis of the terms and conditions contained in this document or on the basis of other conditions. Attijari Global Research has neither verified nor conducted an independent analysis of the information contained in this document. Therefore, Attijari Global Research doesn't make any statement or guarantee and makes no commitment to this document's readers, in any way whatsoever regarding the relevance, accuracy or completeness of the information contained therein. In any case, readers should collect the internal and external opinions they deem necessary, including from lawyers, tax specialists, accountants, financial advisers, or any other experts, to verify the adequacy of the transactions which are presented to them. The final decision is the sole responsibility of the investor. Attijari Global Research can not be held responsible for financial losses or any decision made on the basis of the information contained in its presentations.

INFORMATION SOURCE
Our publications are based on public information. Attijari Global Research strives for the reliability of the information provided. However, it is unable to guarantee its veracity or completeness. The opinions provided are expressed only by the analysts writers. This document and all attachments are based on public information and may in no circumstances be used or considered as a commitment from Attijari Global Research.

CHANGE OF OPINION
The expressed recommendations reflect an opinion consisting of available and public elements during the preparation period of the said note. The views, opinions and other information expressed in this document are indicative and may be modified or removed at any time without prior notice.

INDEPENDENCE OF OPINION
Attijari Global Research preserves full independence regarding the opinions and recommendations issued. As a result, the investment decisions of Attijariwafa bank Group subsidiaries may conflict with the recommendations and / or strategies published in the Research notes.

REMUNERATION AND BUSINESS STREAM
Financial analysts responsible for the preparation of this report receive remunerations based on various factors, among which the quality of the research and the relevance of the topics discussed. Attijariwafa bank Group maintains a business stream with the companies covered in the publications of Attijari Global Research.

ADEQUACY OF OBJECTIVES
The various publications of Attijari Global Research are prepared excluding the individual financial circumstances and objectives of persons who receive them. The instruments and discussed strategies may not be appropriate for the different investor profiles. For this reason, making an investment decision solely on these opinions may not lead to the intended objectives.

OWNERSHIP AND DIFFUSION
This document is the property of Attijari Global Research. It may not be duplicated or copied partially or fully without the written consent of the management of Attijari Global Research. This document can be distributed only by Attijari Global Research or one of Attijariwafa bank Group's subsidiaries.

SUPERVISORY AUTHORITIES
Attijari Global Research is subject to the supervision of the regulatory authorities for the various countries of presence. These include AMMC in Morocco, CMF in Tunisia, CREPMF in WAEMU, COSUMAF in CEMAC and CMA in Egypt. Any person accepting to receive this document is bound by the terms above.

