

RESEARCH REPORT

EQUITY

SEPTEMBER
2024

Q1

Q2 | MOROCCO | QUARTERLY Listed companies results

Q3

Q4

QUARTERLY ACHIEVEMENTS **IN LINE** WITH OUR **EXPECTATIONS**

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Attijari
Global Research

Report for institutional use

EXECUTIVE SUMMARY

The publication of listed companies' mid-term results took place in a context marked by the continued easing of inflation. In Morocco, the average inflation rate stood at 1.0% in H1-24 against 7.9% a year earlier. Under these conditions, Bank Al-Maghrib lowered its key rate by -25 BPS to 2.75% for the first time since March 2020 (Cf. *Bank Al-Maghrib: Key Rate Decision of Q2-24*).

We believe this new phase of monetary easing is consistent with the new investment dynamic initiated by Morocco.

At the end of the 2nd quarter of 2024, 67 listed companies published their quarterly revenues. At the end of our analysis, we come out with four key messages :

- In Q2-24, the market's revenue growth shows a slight acceleration to +4.8% compared to +4.0% in Q1-24 and +2.3% in Q4-23. Three sectors have strongly contributed to this performance, namely: Banks (MAD +1,341 Mn), Building Materials (MAD +597 Mn) and Mining (MAD +510 Mn);
- Despite positive growth in cement sales in Q2-24 at +2.8%, the listed Cement sector shows a drop in revenue of MAD -235 Mn. This is attributed to the commissioning of the new plant of Novacim Group (unlisted company) with a 1.6 MT capacity besides the fall in clinker exports. As an indication, the latter would have decreased by more than half in Q1-24 to 213 KT;
- On a half-yearly basis, the market's aggregate revenues reached MAD 157 Bn, up +4.4%. This growth was mainly driven by the banking sector, which recorded an increase in its NBI of +13.0% (MAD +5,266 Mn). Excluding this sector, the market's revenue growth stood at +1.2% in H1-24;
- The mid-term achievements of the market are in line with our growth forecasts for the year 2024, i.e. an achievement rate close to 50%. To this end, we are maintaining our growth forecasts unchanged, namely: an increase in revenues of +5.3% in 2024E and +8.0% in 2025E. In terms of profitability, recurring profit growth would stand at +7.3% in 2024E before accelerating to +10.4% in 2025E under the effect of the entry into force of the investment projects formerly announced.

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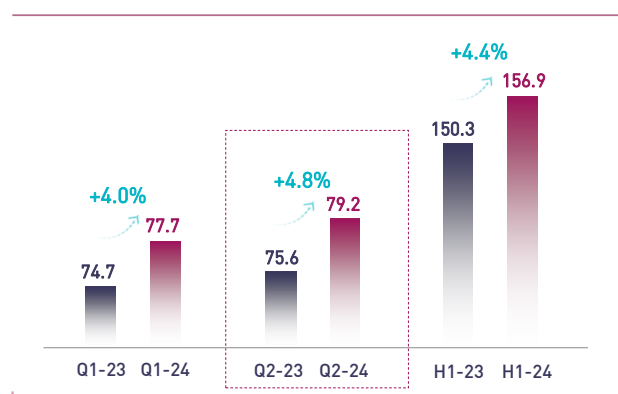
A SLIGHT ACCELERATION IN GROWTH REVENUE IN Q2-24

During this 2nd quarter of 2024, the Equity market's aggregate revenue reached MAD 79.2 Bn, up +4.8%. This comes after respective growths of +2.3% in Q4-23 and +4.0% in Q1-24. In more details, 67 listed companies released their operational achievements in Q2-24, distributed as follows: 43 companies posted an improvement in their revenue, 23 issuers reported a decline in their activity and only a single company whose revenue remained stable.

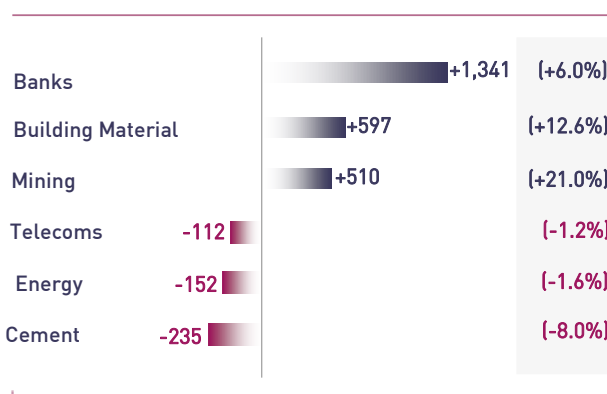
When analyzing the evolution of revenue of the various listed sectors, we emerge with two main findings:

- The **Banking** sector continues to drive the market's revenue growth through an increase of MAD +1,341 Mn in its consolidated NBI. This is followed by the **Building Materials'** sector whose revenue increased by MAD +597 Mn supported by TGCC (MAD +393 Mn) and Jet Contractors (MAD +379 Mn) operators. Finally, the **Mining** sector shows an increase of MAD +510 Mn in its revenue driven by a double Price/Volume effect;
- Conversely, the **Cement** sector shows an under-performance of MAD -235 Mn in its aggregate revenue, taking into account the entry of new production capacities into the local market coupled with the decline in clinker exports.

MARKET: EVOLUTION OF AGGREGATE REVENUE (MAD MN)



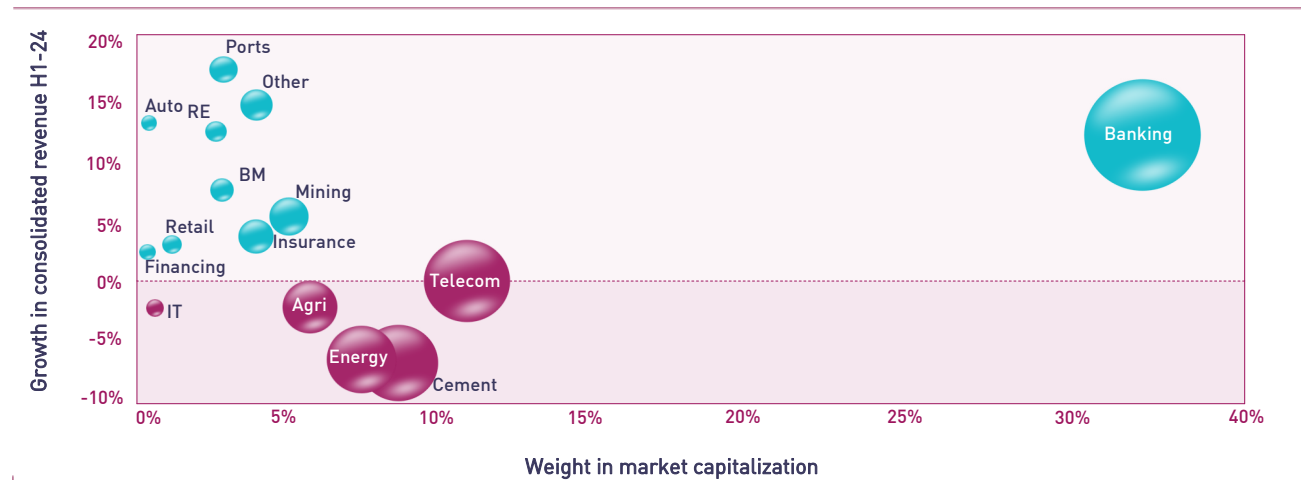
MARKET: QUARTERLY CONTRIBUTION TO REVENUE (MAD MN)



At the end of June 2024, the market's cumulative revenue rose by +4.4% to reach nearly MAD 157 Bn. In more detail, we note the following sectoral developments:

- 10 listed sectors, which represent more than 64% of the overall market capitalization, show an increase in their revenue. The most important are: Ports (+17.1%), Automotive (+13.2%), Banking (+13.0%), Real Estate (+12.2%), Building Materials (+10.5%), Mining (+5.5%), Insurance (+4.8%), Retail (+3.3%) and Financing (+2.5%);
- 5 listed sectors show a decline in their mid-term revenue. These are mainly: Telecoms (-0.8%), Agri-business (-1.8%), IT (-2.3%), Energy (-8.9%) and Cement (-9.5%). These sectors account for 36% of the market's capitalization.

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



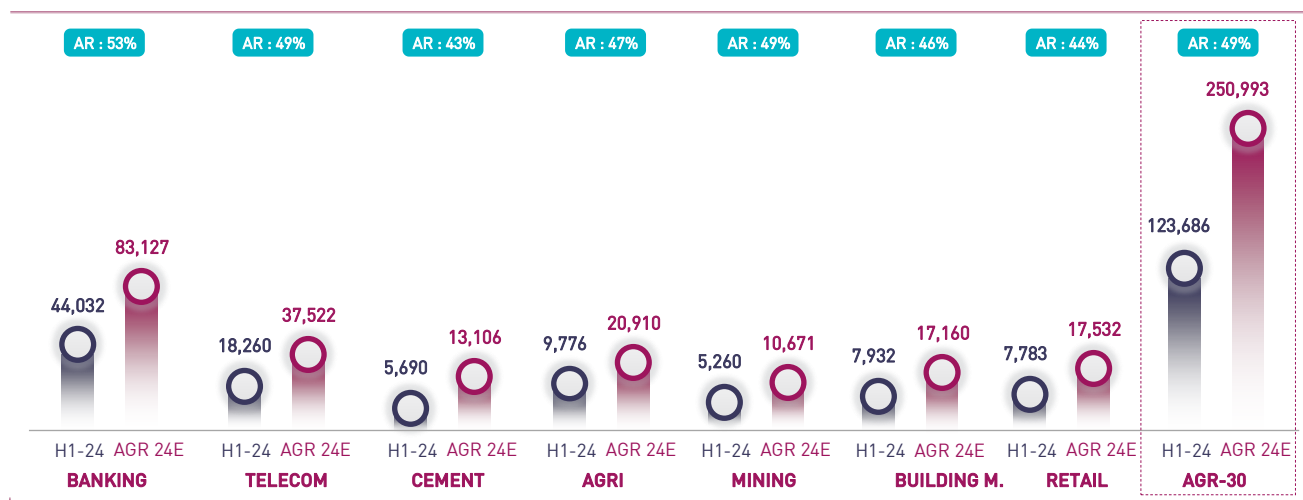
Sources: Press releases of listed companies, CSE, AGR Computations

SECTOR ACHIEVEMENTS IN LINE WITH OUR FORECASTS

By comparing the H1 achievements with our annual forecasts disclosed to investors (*Cf. AGR 24E-25E forecasts*), we note a revenue achievement rate close to 50%. Thus, we maintain our growth scenario for the FY 2024. As examples:

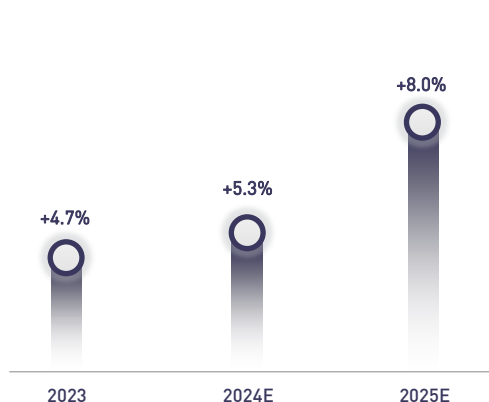
- The **Banking** sector shows a high annual achievement rate of its NBI, i.e. 53%. In fact, the consolidated NBI of listed banks stood at MAD 44.0 Bn in H1-24 against an AGR estimate of MAD 83.1 Bn for 2024E;
- The **Cement** sector reported a relatively low annual achievement rate of 43%. However, we believe that the second half would be marked by a catch-up effect in terms of domestic consumption. This is illustrated by cement sales at the end of August, which recorded an increase of +7.2% compared to +1.1% at the end of June. An increase supported by the start of construction sites relating to investment projects already announced. Meanwhile, the sector remains marked by the arrival of new production capacities and the sharp slowdown in clinker exports;
- The **Retail** sector shows an annual revenue achievement rate of 44%. We believe that H2-24 would be marked by a more sustained sales pace as the LBV Group announced the opening of 35 new stores compared to 11 in H1.

AGR 30: ACHIEVEMENTS OF THE MAIN SECTORS IN H1-24 VS AGR 2024E FORECASTS

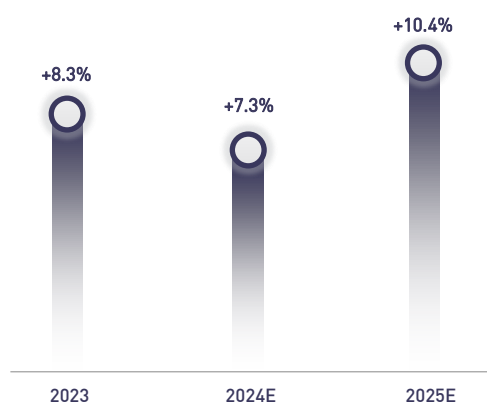


In 2024E, the recurring earning power of our Stock Universe would show, according to our estimates, an increase of +7.3% after +8.3% in 2023. This would be mainly supported by the **Banking (+10.2%)**, **Mining (+25.3%)** and **Building Materials (+41.6%)** sectors. In 2025E, we forecast an earning growth to +10.4% under the effect of the entry into force of the investment projects announced during the period 2023-2024.

AGR-30: REVENUE GROWTH 23-25E



AGR-30: GROWTH IN RECURRING PROFITS 23-25E



Sources: AGR Computations & Estimates



QUARTERLY RESULTS

| | In MAD Mn | Revenue/NBI | | | Revenue/NBI | | | Revenue/NBI | | |
|-------------------------------|-----------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|
| | | Q1-24 | Q1-23 | Change | Q2-24 | Q2-23 | Change | H1-24 | H1-23 | Change |
| Tel | | | | | | | | | | |
| Maroc Telecom | 9 066 | 9 093 | -0,3% | 9 194 | 9 306 | -1,2% | 18 260 | 18 399 | -0,8% | |
| Cosumar | 2 439 | 2 512 | -2,9% | 2 544 | 2 446 | 4,0% | 4 983 | 4 958 | 0,5% | |
| Agri-Business | | | | | | | | | | |
| Lesieur Cristal | 1 506 | 1 777 | -15,3% | 1 205 | 1 263 | -4,6% | 2 711 | 3 039 | -10,8% | |
| SBM | 362 | 466 | -22,4% | 756 | 702 | 7,7% | 1 117 | 1 132 | -1,3% | |
| Oulmès | 544 | 452 | 20,3% | 778 | 683 | 13,9% | 1 322 | 1 135 | 16,5% | |
| Mutandis | 470 | 465 | 1,1% | 495 | 494 | 0,2% | 965 | 959 | 0,6% | |
| Dari Couspate | 222 | 235 | -5,4% | 179 | 193 | -7,7% | 400 | 428 | -6,4% | |
| Unimer | 273 | 269 | 1,5% | 284 | 354 | -19,8% | 557 | 623 | -10,6% | |
| Banks | | | | | | | | | | |
| Attijariwafa bank | 8 520 | 6 861 | 24,2% | 8 480 | 7 744 | 9,5% | 17 000 | 14 605 | 16,4% | |
| BCP | 6 049 | 4 820 | 25,5% | 6 751 | 6 921 | -2,5% | 12 800 | 11 742 | 9,0% | |
| BOA | 4 465 | 3 834 | 16,5% | 5 120 | 4 543 | 12,7% | 9 585 | 8 377 | 14,4% | |
| CIH Bank | 1 123 | 969 | 15,9% | 1 211 | 1 250 | -3,2% | 2 333 | 2 219 | 5,2% | |
| BMCI | 910 | 792 | 14,8% | 980 | 902 | 8,7% | 1 890 | 1 695 | 11,5% | |
| Crédit du Maroc | 791 | 719 | 10,0% | 815 | 707 | 15,3% | 1 606 | 1 426 | 12,6% | |
| CFG Bank | 208 | 144 | 44,4% | 216 | 165 | 30,9% | 424 | 309 | 37,2% | |
| Insurance | | | | | | | | | | |
| Wafa Assurance | 4 073 | 3 605 | 13,0% | 3 027 | 2 928 | 3,4% | 7 100 | 6 533 | 8,7% | |
| Sanlam Maroc | 2 147 | 2 193 | -2,1% | 1 389 | 1 300 | 6,8% | 3 535 | 3 493 | 1,2% | |
| AtlantaSanad | 1 962 | 1 893 | 3,6% | 1 133 | 1 192 | -4,9% | 3 096 | 3 085 | 0,4% | |
| AFMA | 86 | 80 | 7,8% | 73 | 64 | 14,1% | 159 | 144 | 10,4% | |
| Building Materials | | | | | | | | | | |
| Sonasis | 1 249 | 1 343 | -7,0% | 1 188 | 1 200 | -1,0% | 2 437 | 2 543 | -4,2% | |
| TGCC | 1 709 | 1 229 | 39,1% | 2 078 | 1 685 | 23,3% | 3 786 | 2 913 | 30,0% | |
| Delta Holding | 689 | 600 | 14,8% | 686 | 723 | -5,1% | 1 375 | 1 323 | 3,9% | |
| Jet Contractors | 603 | 521 | 15,9% | 849 | 470 | 80,7% | 1 452 | 991 | 46,6% | |
| Aluminium du Maroc | 264 | 307 | -14,0% | 254 | 292 | -13,0% | 518 | 599 | -13,5% | |
| SNEP | 113 | 272 | -58,7% | 144 | 206 | -30,2% | 256 | 478 | -46,4% | |
| Colorado | 130 | 119 | 8,5% | 152 | 178 | -14,3% | 282 | 297 | -5,1% | |
| Cement | | | | | | | | | | |
| LafargeHolcim Maroc | 1 884 | 2 131 | -11,6% | 1 807 | 1 999 | -9,6% | 3 691 | 4 130 | -10,6% | |
| Ciments du Maroc | 870 | 918 | -5,2% | 911 | 954 | -4,5% | 1 999 | 2 159 | -7,4% | |
| Real Estate | | | | | | | | | | |
| Addoha | 689 | 572 | 20,5% | 998 | 834 | 19,7% | 1 687 | 1 406 | 20,0% | |
| Alliances | 650 | 523 | 24,3% | 559 | 480 | 16,5% | 1 209 | 1 003 | 20,5% | |
| RDS | 54 | 51 | 5,9% | 38 | 202 | -81,2% | 92 | 253 | -63,6% | |
| Energy | | | | | | | | | | |
| TotalEnergies Marketing Maroc | 4 230 | 4 346 | -2,7% | 4 232 | 3 917 | 8,0% | 8 462 | 8 263 | 2,4% | |
| Taqi Morocco | 2 959 | 4 090 | -27,7% | 2 692 | 3 359 | -19,9% | 5 651 | 7 448 | -24,1% | |
| Afriquia Gaz | 2 046 | 2 449 | -16,5% | 2 183 | 1 983 | 10,1% | 4 229 | 4 432 | -4,6% | |
| Retail | | | | | | | | | | |
| Label Vie | 3 825 | 3 777 | 1,3% | 3 958 | 3 756 | 5,4% | 7 783 | 7 533 | 3,3% | |
| Auto | | | | | | | | | | |
| Auto Hall | 1 169 | 1 069 | 9,4% | 1 258 | 1 128 | 11,5% | 2 427 | 2 197 | 10,5% | |
| Auto Nejma | 647 | 622 | 4,0% | 643 | 465 | 38,3% | 1 290 | 1 087 | 18,7% | |
| Port | | | | | | | | | | |
| Marsa Maroc | 1 140 | 1 004 | 13,5% | 1 342 | 1 115 | 20,4% | 2 482 | 2 119 | 17,1% | |
| Mining | | | | | | | | | | |
| Managem | 1 935 | 2 220 | -12,8% | 2 473 | 1 962 | 26,0% | 4 408 | 4 181 | 5,4% | |
| SMI | 251 | 214 | 17,3% | 320 | 318 | 0,6% | 571 | 532 | 7,3% | |
| CMT | 140 | 131 | 6,9% | 141 | 144 | -2,1% | 281 | 275 | 2,2% | |
| IT | | | | | | | | | | |
| Disway | 438 | 481 | -8,9% | 404 | 443 | -8,8% | 842 | 924 | -8,9% | |
| HPS | 288 | 265 | 8,6% | 283 | 299 | -5,3% | 571 | 564 | 1,3% | |
| S2M | 58 | 59 | -3,2% | 89 | 71 | 25,9% | 147 | 130 | 12,7% | |
| M2M Group | 23 | 17 | 35,3% | 31 | 16 | 93,8% | 54 | 33 | 63,6% | |
| Financing | | | | | | | | | | |
| Eqdom | 130 | 132 | -1,5% | 152 | 161 | -5,6% | 282 | 293 | -3,8% | |
| Maghrebail | 980 | 948 | 3,4% | 1 045 | 942 | 10,9% | 2 025 | 1 890 | 7,1% | |
| Maroc Leasing | 65 | 97 | -33,2% | 62 | 82 | -24,7% | 127 | 180 | -29,3% | |
| Salafin | 93 | 95 | -2,0% | 93 | 97 | -4,6% | 186 | 192 | -3,3% | |
| Others | | | | | | | | | | |
| Akdital | 611 | 380 | 60,8% | 637 | 448 | 42,2% | 1 248 | 828 | 50,7% | |
| Ennaki Automobiles | 456 | 445 | 2,3% | 537 | 499 | 7,7% | 985 | 936 | 5,2% | |
| Sothema | 656 | 597 | 9,9% | 672 | 587 | 14,5% | 1 328 | 1 184 | 12,2% | |
| Risma | 253 | 273 | -7,3% | 344 | 320 | 7,5% | 597 | 594 | 0,5% | |
| Promopharm | 171 | 172 | -0,6% | 244 | 188 | 29,5% | 414 | 360 | 15,1% | |
| CTM | 156 | 143 | 9,1% | 183 | 150 | 22,0% | 339 | 293 | 15,7% | |
| Aradei Capital | 146 | 142 | 2,7% | 152 | 153 | -0,7% | 298 | 295 | 0,9% | |
| Fenie Brossette | 155 | 151 | 2,6% | 188 | 156 | 20,5% | 343 | 307 | 11,7% | |
| SRM | 35 | 61 | -43,0% | 107 | 71 | 50,9% | 141 | 131 | 7,5% | |
| Stokvis Nord Afrique | 29 | 50 | -42,0% | 40 | 33 | 21,2% | 69 | 83 | -16,9% | |
| Med Paper | 22 | 30 | -27,0% | 27 | 26 | 6,2% | 49 | 56 | -11,7% | |
| Maghreb Oxygène | 71 | 71 | -0,7% | 78 | 73 | 6,8% | 149 | 144 | 3,1% | |
| Afric Industries | 10 | 9 | 9,7% | 10 | 10 | 2,2% | 20 | 19 | 5,8% | |
| Immoyente Invest | 18 | 16 | 15,3% | 20 | 18 | 9,8% | 38 | 34 | 12,0% | |
| Stroc Industrie | 21 | 27 | -20,8% | 25 | 24 | 4,5% | 47 | 51 | -8,8% | |
| Balima | 12 | 12 | 4,5% | 12 | 12 | 2,4% | 25 | 24 | 2,4% | |
| Zellidja | 155 | 151 | 2,6% | 188 | 156 | 20,5% | 343 | 307 | 11,7% | |
| Rebab Company | 0,007 | 0,007 | 0,0% | 0,008 | 0,008 | 0,0% | 0,015 | 0,015 | 0,0% | |

Sources : Communiqués de presse des sociétés cotées, Calculs AGR

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