

H1 2024 results

Investor Presentation

October 2024



LabelVie
— GROUPE —

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01

Investment Thesis & Strategy



Morocco's Leading Food Retailer - Label Vie (LBV)

LONG RUNWAY OF PROFITABLE GROWTH AHEAD

190 Stores H1 24a

**953 Stores
2028e**

CAGR% 2014-23a

**+10.7% Sales
Growth**

8.5% H1 2024a

**9.3% EBITDA
2028e**

53% payout ratio 2023a

**58% Dividend
payout ratio 28e**

12% ROIC 2023a

**16% ROIC
2028e**

Conservative Balance Sheet

**2.2x NET
DEBT: EBITDA**

Strategic Development



**Accelerate multi-format,
and omni-channel expansion**



**Innovating and transforming
our core businesses**



**Guided by our strong
corporate governance, social
and environmental
principles**

4 MAJOR LEVERS



**Differentiation
and innovation**



**Process
and digital transformation**





















**Strong human capital and
corporate culture**



**Sound financial
position**

Opening targets: Develop all formats and acceleration of high growth potentials

	2023		Store openings 2024 - 2028	2028	
	Indicative retail area (m ²)	Number of stores		Openings share	Number of stores
 اتقداو ATACADÃO	3 500 - 8 000	13	 36	4,6%	49
 Carrefour 	3 500 - 8 000	12	 6	0,8%	18
 Carrefour market   Carrefour market Gourmet 	550 - 3 000	92	 114	14,7%	206
 Carrefour express 	300 - 500	43	 228	29,4%	271
 Supeco	150 - 200	19	 390	50,5%	409
 LabelVie GROUPE		179	 774 openings		953

 Formats with high growth potential

Strengthening the financial structure and creating shareholder value



7 bn MAD

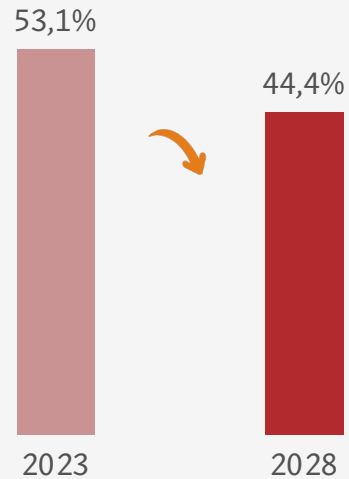
CAPEX over 5 years

80% financed by our free cash flow

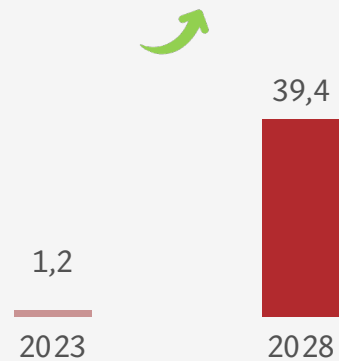
**REAL ESTATE
property
portfolio**

Targets for 2028

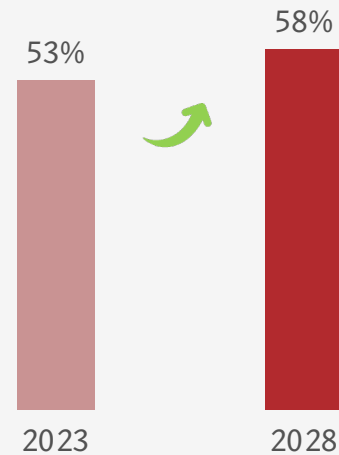
Gearing



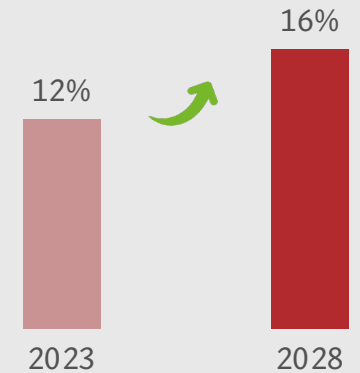
Net Financial Income (in M MAD)



Dividend Payout



ROIC



02

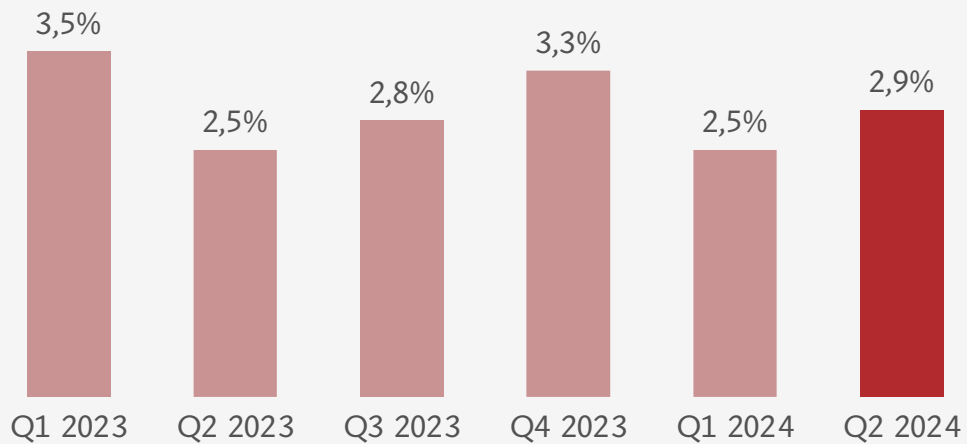
Highlights and key achievements H1 2024



Main macroeconomic indicators

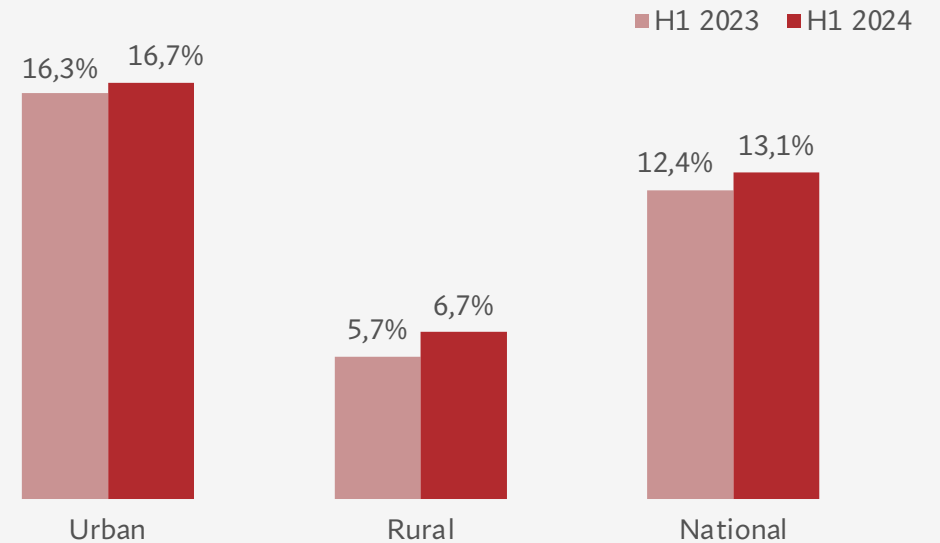
Softer H1 GDP growth with uptick in unemployment

GDP growth



Source: HCP - Economic growth (trend) + update 07/04 for Q2 forecast

Unemployment rate



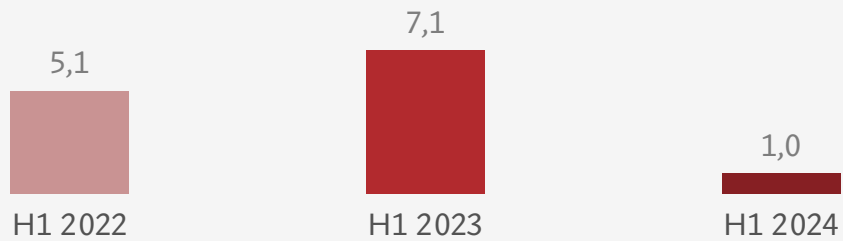
Source: HCP - Q2 information note / Employment

- * Below-forecast growth with a slight recovery in the second quarter of 2024
- * A continued rise in unemployment, reaching 13.1% nationally, with a high level in urban areas

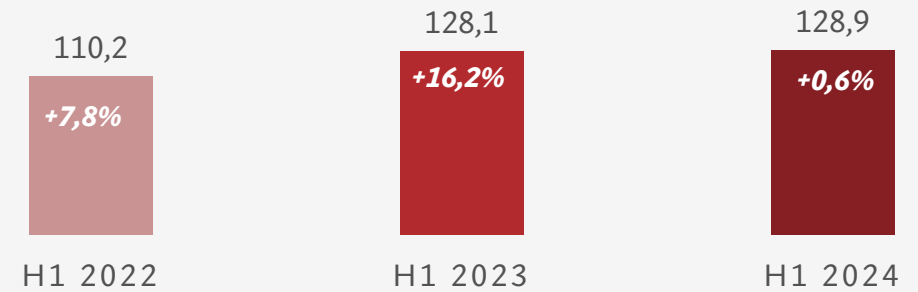
Main macroeconomic indicators

Food prices stabilise but household confidence remains fragile

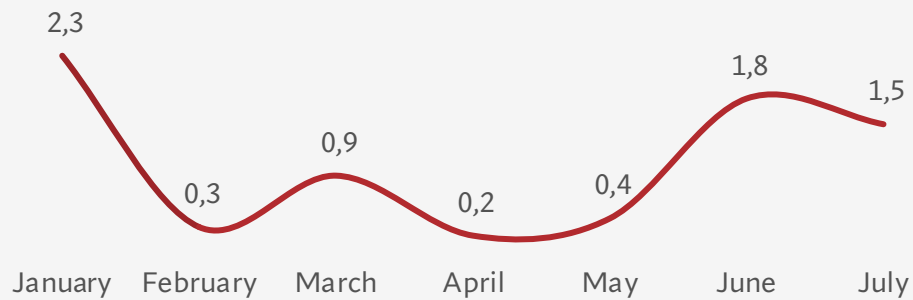
Inflation per month



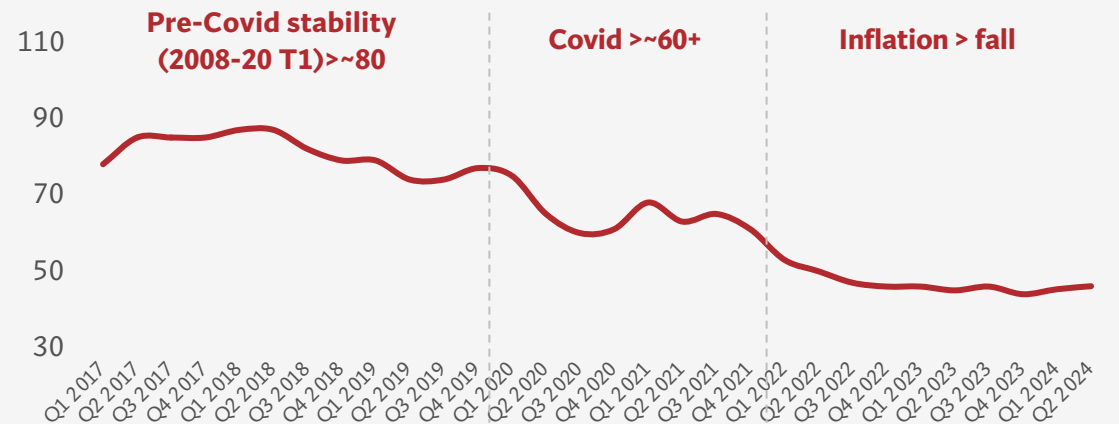
Consumer price index for food products



Inflation by month



Change in the household confidence index



Highlights and key achievements of H1 2024



A strategy of expansion and customer proximity

- * Opening of 11 new stores, and expansion into a new city
- * Terramis OPCI sold 40% to third party investors
- * FNAC acquisition closed



Operational Excellence

- * Actions to support customers' purchasing power
- * Opening of the 3rd logistics platform in Skhirat
- * Continuation of the business transformation strategy








Strengthening ESG actions

- * Evolution towards global standards
- * Strengthening the LabelVie quality chain
- * Launch of the new ESG program to support communities impacted by the earthquake
- * Renewal of the CGEM's ESG Label

Key achievements in H1 2024 – Continued openings in 2024

Opening of 11 new stores in H1 2024

	By the end of 2023		H1 2024		Share %
	Number of stores	Retail area (m ²)	Number of stores	Retail area (m ²)	
	13	65 714	14	69 214	26%
	12	65 900	12	65 900	25%
	135	123 853	141	127 203	48%
	19	2 793	23	3 358	1%
	179	258 260	190	265 675	100%

Opening of the capital of OPCI Terramis

- * Opening of the capital of OPCI Terramis
- * Sale of shares for an amount of MAD 473 million, representing 40% of the capital
- * Institutionalization of the shareholder base with leading investors: CMR, CDG, Farah Al Maghreb, Al Ajial Holding, and Sanlam Maroc.
- * The OPCI investment proposition is strong :
 - A solid development plan
 - A promising outlook
 - Solid governance

Key figures of OPCI Terramis



1.8 bn MAD

**Total assets
under management**



35 M MAD

Capital gain



1.2 bn MAD

**Net
Assets**



75 M MAD

**Dividends
2023**

Performance of key indicators of H1 2024



6,617 M MAD

+2,0%

Sales



265 675 m²

+7 415 m²

Total surface area



190

+11 shops

Number of stores



34,36 M

+5,7%

Customer visits



228 MAD

-4%

Average basket



7,783 M MAD

+3,3%

Sales



588 M MAD

+5,1%

EBITDA



8,48%

+0,24%

EBITDA
margin



304 M MAD

+1%

EBIT



267 M MAD

+17%

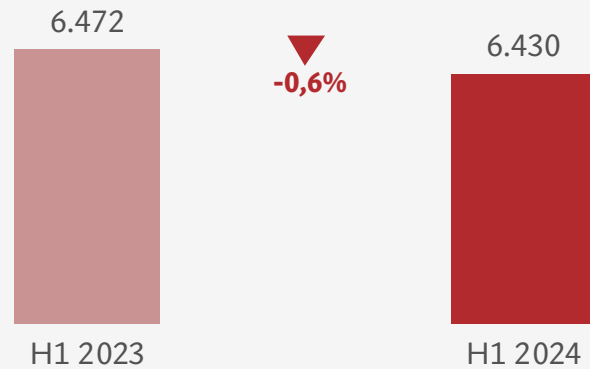
Net income

Consolidated sales on a like-for-like basis

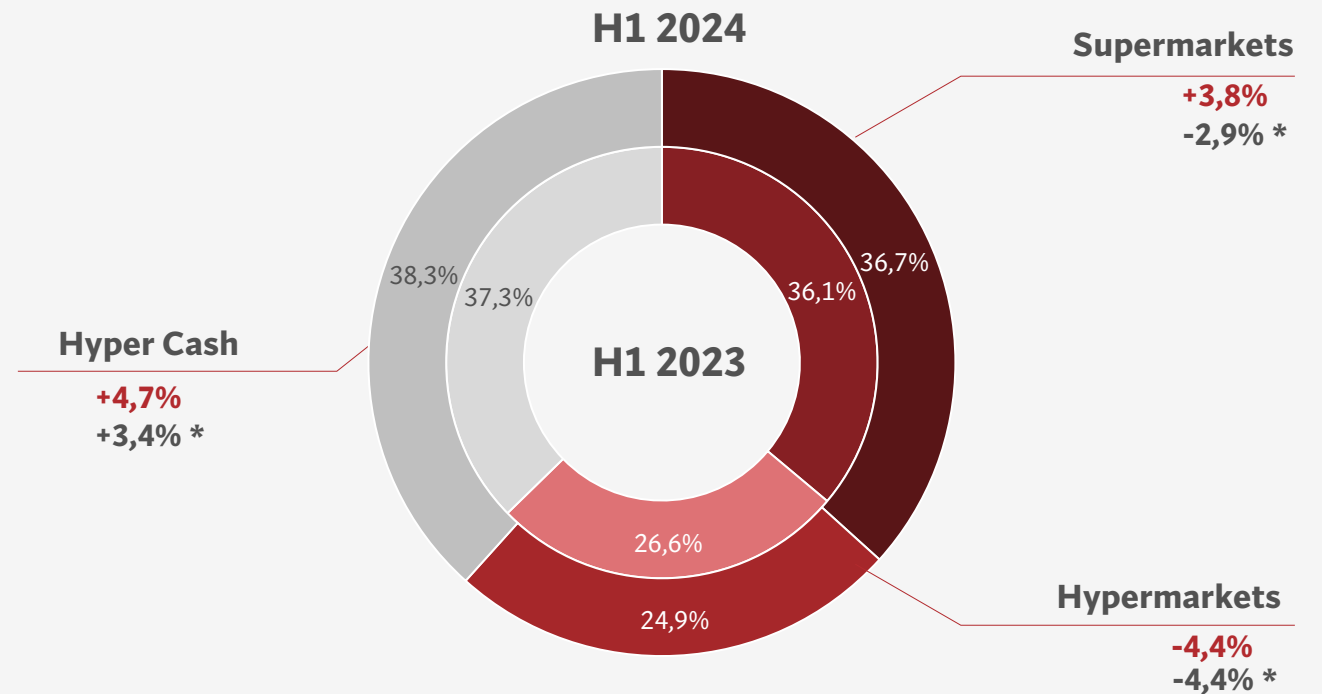
Stabilisation of sales

(Figures in M MAD)

Group sales



Breakdown of sales by activity



- * Revenue stable compared with H1 2023, with a slight decline of 0.6%.
- * Slight increase in Hyper Cash's contribution to overall revenue


Key figures by format


Supermarket and hypercash sales performance

Hypermarket

Revenue :
 **1,650 M MAD**

Growth :
 **-4,4%**

Contribution to revenue :
 **25%**


Store network :
 **12**


Market share :
 **23,4% (-1%)**


 

Supermarket

Revenue :
 **2,430 M MAD**

Growth :
 **+3,8%**


Contribution to revenue :
 **37%**

Store network :
 **164**


Market share :
 **57,7% (-2,4%)**


   
  

Atacadao

Revenue :
 **2,536 M MAD**

Growth :
 **+4,7%**

Contribution to revenue :
 **38%**

Store network :
 **14**

Market share :
 **20,5% (+0,8%)**

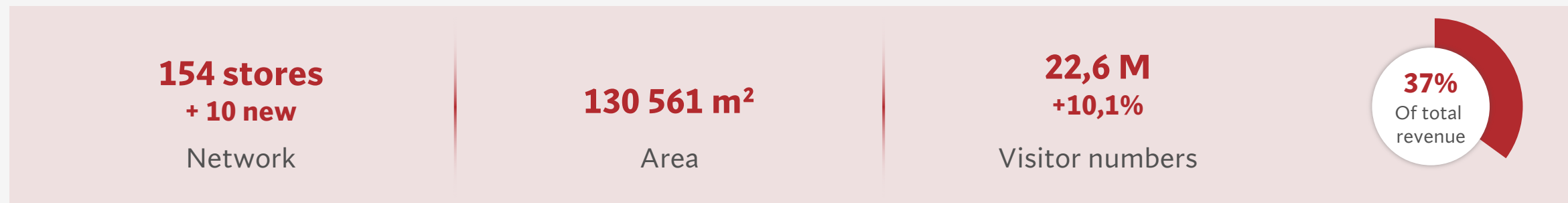


Sales performance : Supermarkets

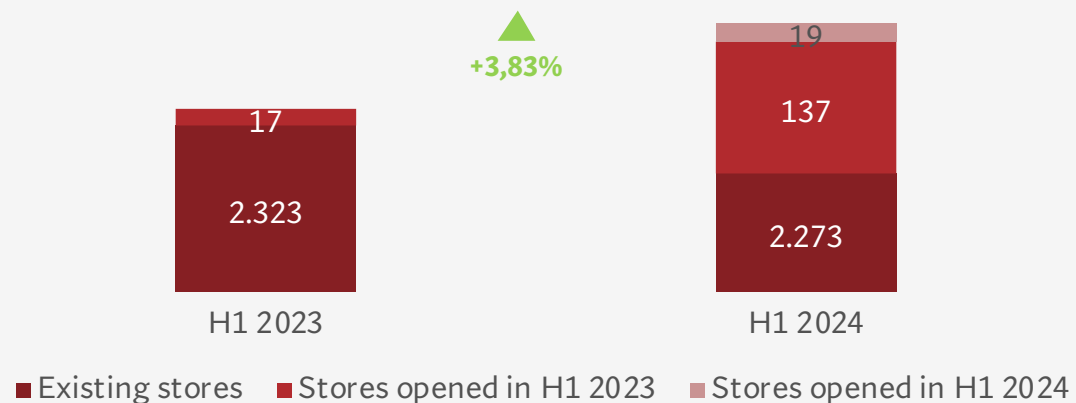


Business driven by new store openings

(Figures in M MAD)



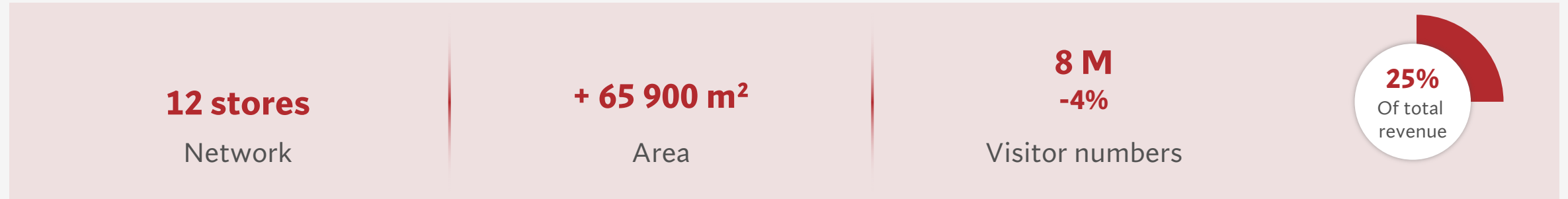
Sales performance Carrefour Supermarkets



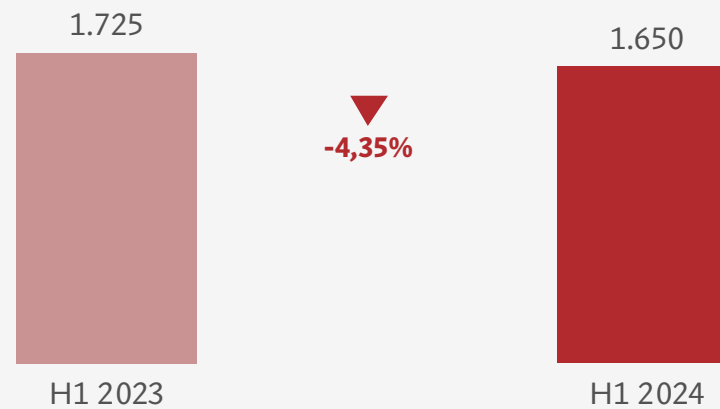
Sales performance : Hypermarkets

Decline in activity particularly impacted by pressure on purchasing power

(Figures in M MAD)



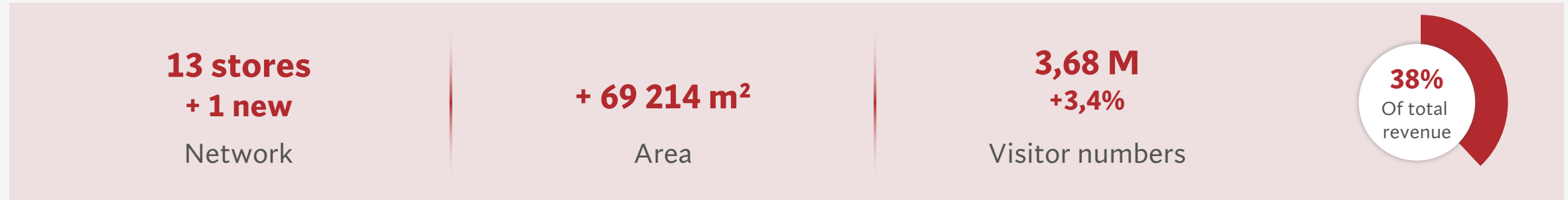
Sales performance Hypermarkets



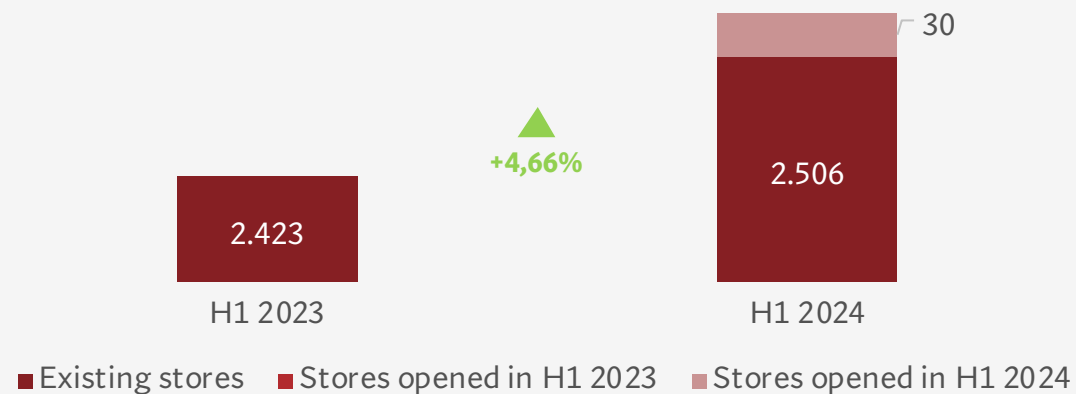
Sales performance : Atacadao

Improved sales also benefiting from the interest of private individuals

(Figures in M MAD)



Sales performance Hypercash

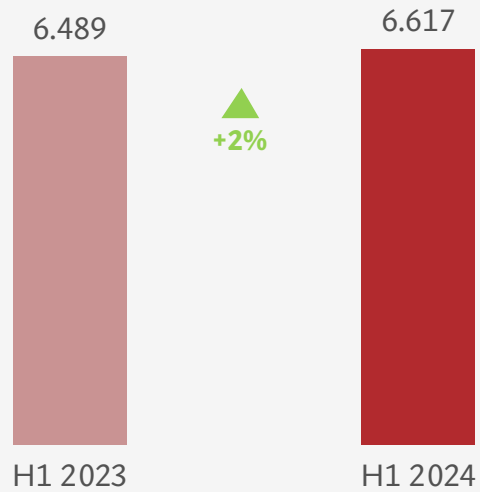


Change in merchandise sales

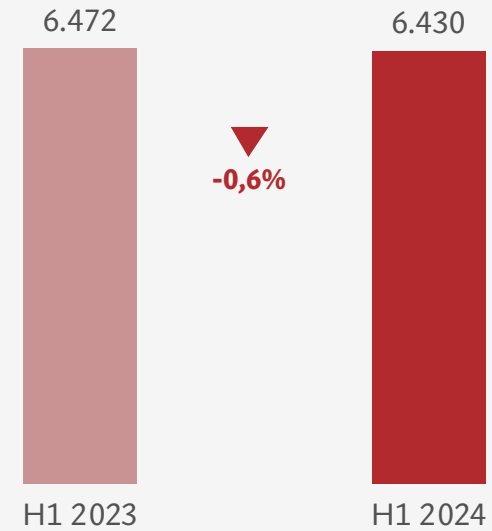
Stabilisation of like-for-like sales in line with forecasts

(Figures in M MAD)

Change in sales on a reported basis



Like-for-like sales growth



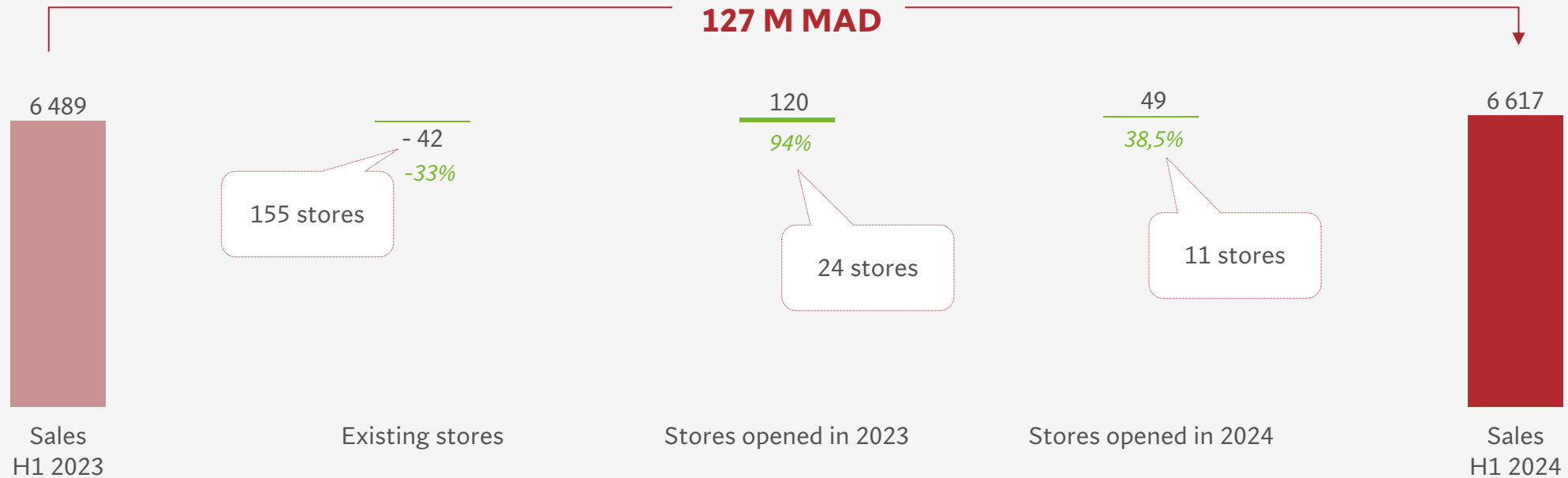
* Sales stable on a like-for-like basis and up 2% on a reported basis

Contribution of longstanding and new stores by category

Growing contribution of new openings to sales momentum in 2024

(Figures in M MAD)

Contribution of longstanding and new stores to overall sales evolution



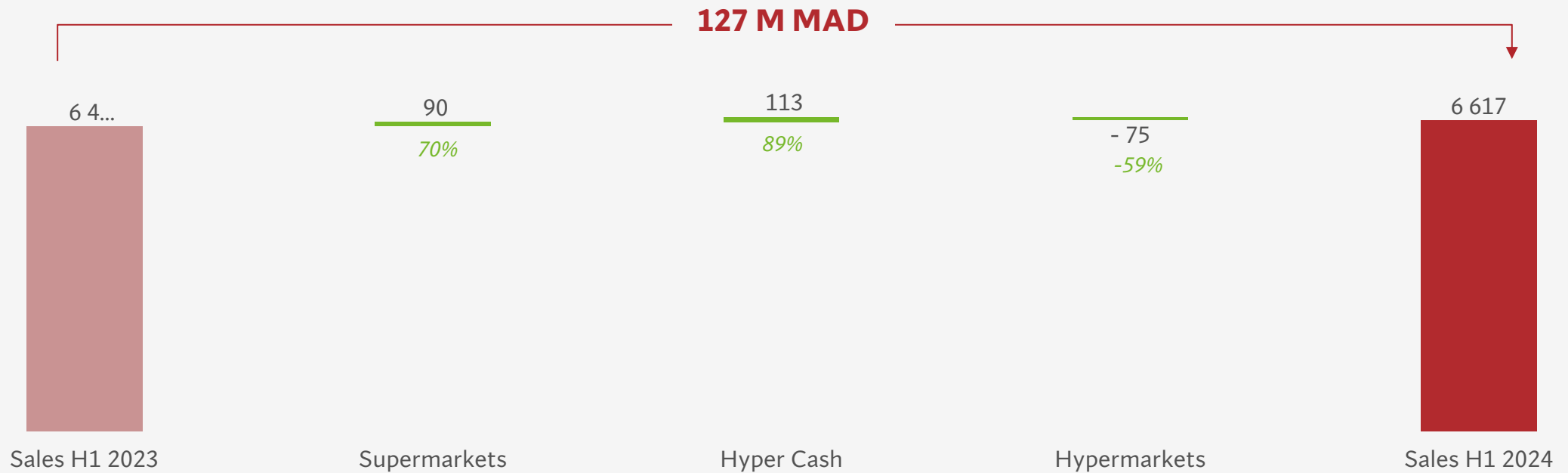
* Sales growth mainly came from the 2023 and 2024 openings, with a contribution of MAD 169 million.

Contribution of businesses to revenue

Strong contribution from Hyper Cash and Supermarkets

(Figures in M MAD)

Contribution of formats to overall sales evolution

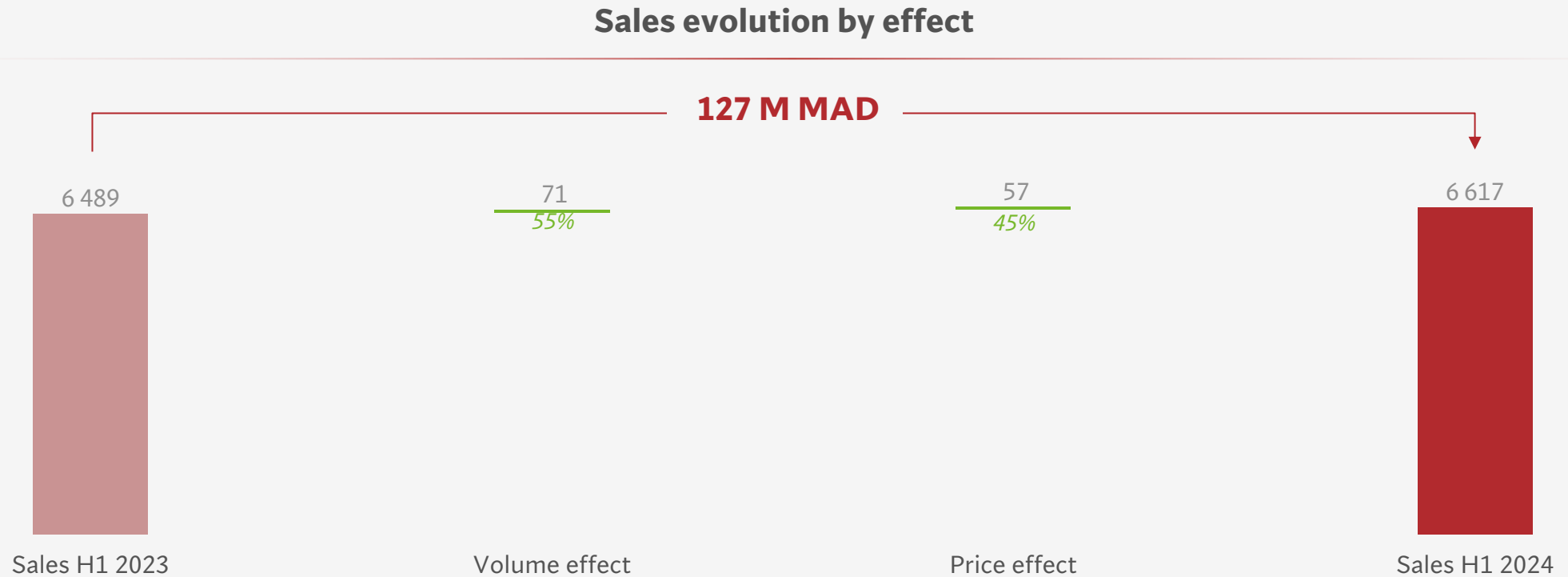


* Hypercash is the main contributor to sales growth, benefiting from the decline in household purchasing power and the opening of a new store.

Sales evolution by effect

55% of growth comes from the volume effect

(Figures in M MAD)

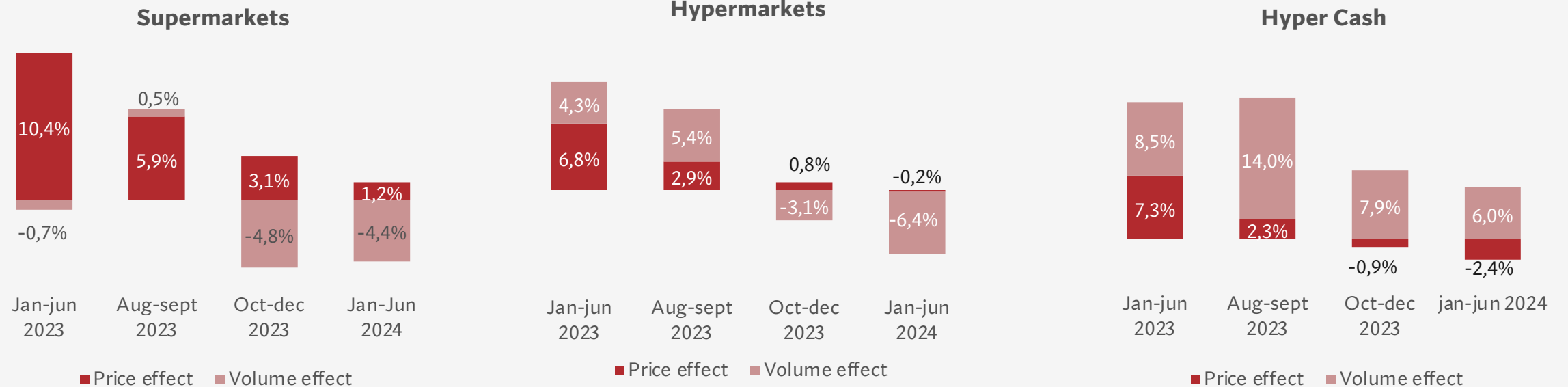


- * Slower contribution from the price effect compared to the previous year (45% in H1 2024 vs. 65% in 2023).
- * 55% of the growth came from higher volumes, mainly driven by the Hyper Cash format.

Sales evolution by effect and period

Contrasting performances in supermarkets and hypermarkets, while Hyper Cash remains buoyed by volumes

Sales evolution by effect and period



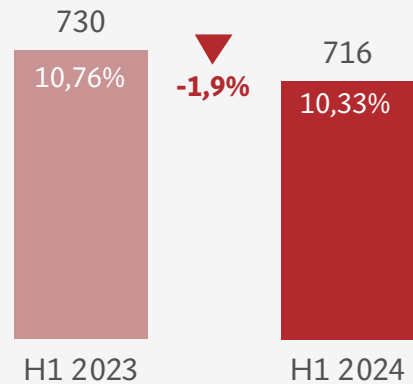
On a like-for-like basis, excluding alcohol

- * Falling prices across all formats
- * Sharp decline in volumes in the Supermarket and Hypermarket formats
- * Increased volumes in the Hypercash format

Margin trends

Direct margins impacted by actions to support purchasing power

Direct margin as % of sales



Sales of services as % of turnover



Gross margin as % of sales



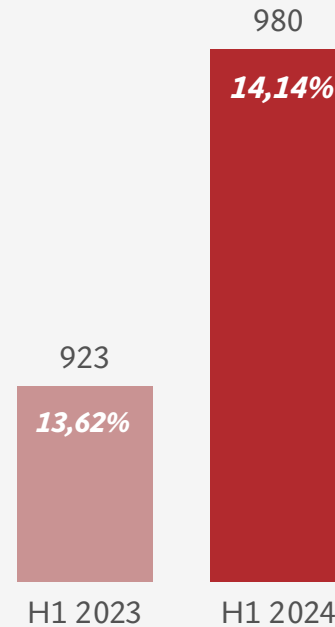
- * Decline in direct margin impacted by changes in the sales mix, shifting consumer habits, continued investment in prices to support purchasing power, and changes in the sales mix and business units.
- * Improved service sales driven by negotiations with suppliers.
- * Gross margin up 5.8%, driven by service sales.

Change in expenses

Strong discipline in cost control

(Figures in M MAD)

Evolution Expenses



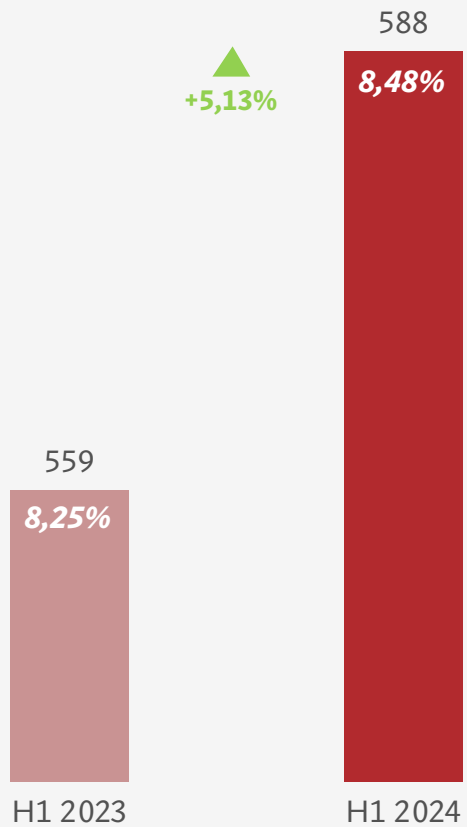
- * Value savings on operating expenses, primarily from variable items and efforts to control other fixed items in a specific context.
- * Deterioration in the ratio due to delays in volumes

EBITDA and EBITDA margin trends

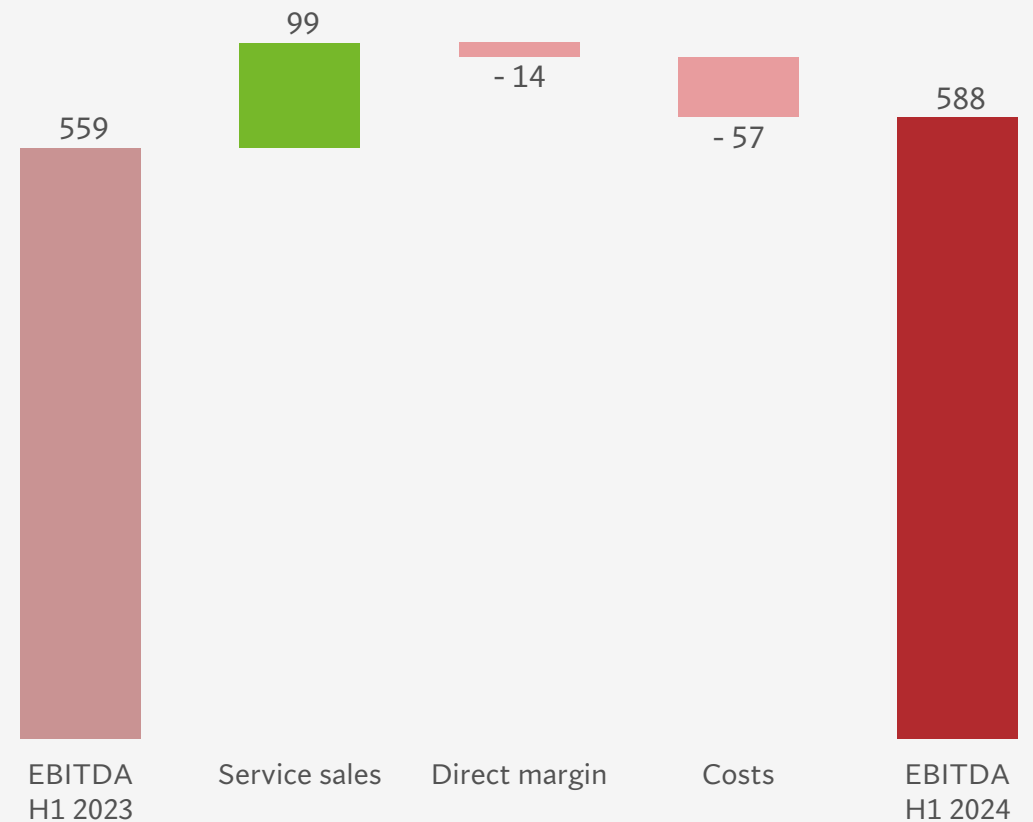
EBITDA up 5.1% vs. H1 2023

(Figures in M MAD)

EBITDA performance



From EBITDA H1 2023 to EBITDA H1 2024

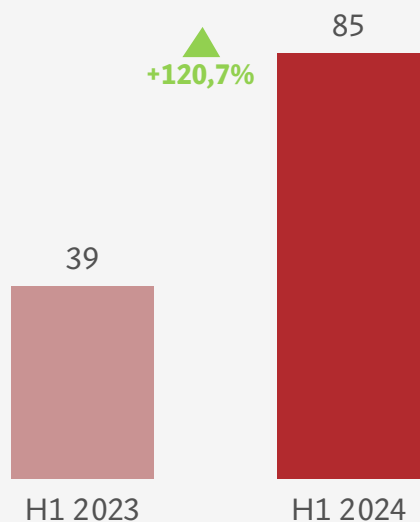


Net financial expense

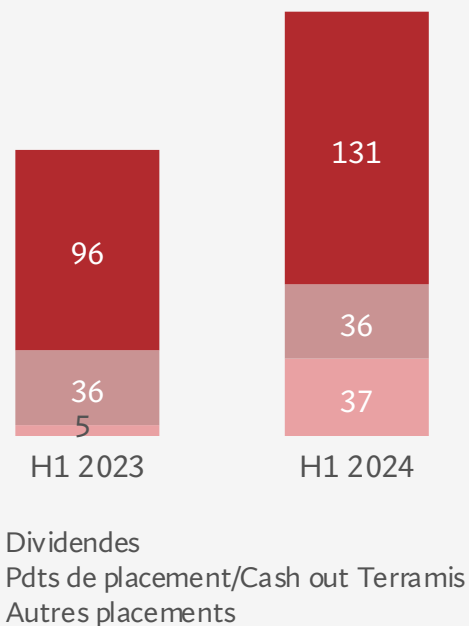
Significant improvement in financial result

(Figures in M MAD)

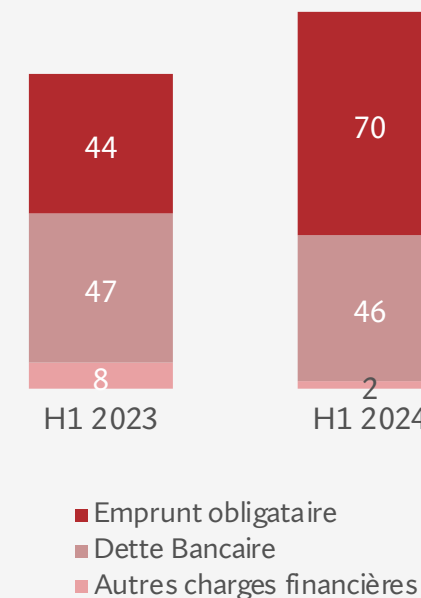
Evolution of the financial result



Financial income



Financial expenses



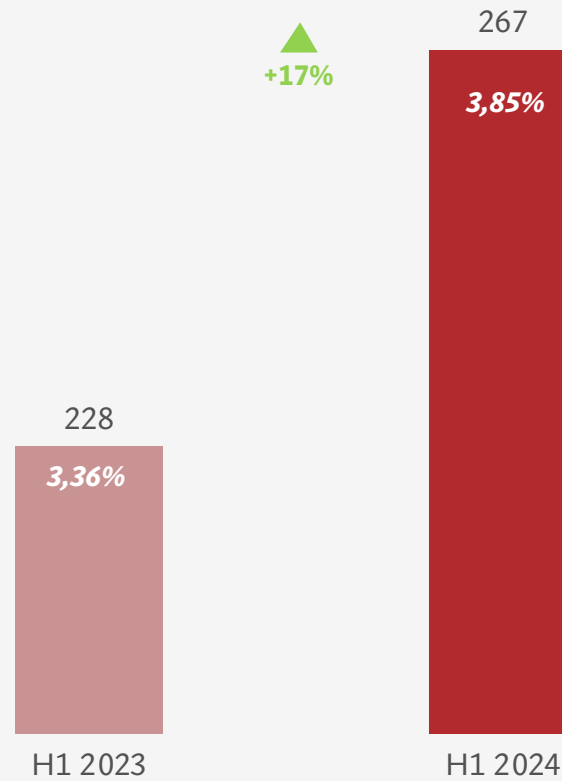
* Significant improvement in financial result, mostly driven by dividendes of MAD 131 million and a capital gain of MAD 35 million from the Terramis OPCI.

Net income evolution

Net income in line with forecasts

(Figures in M MAD)

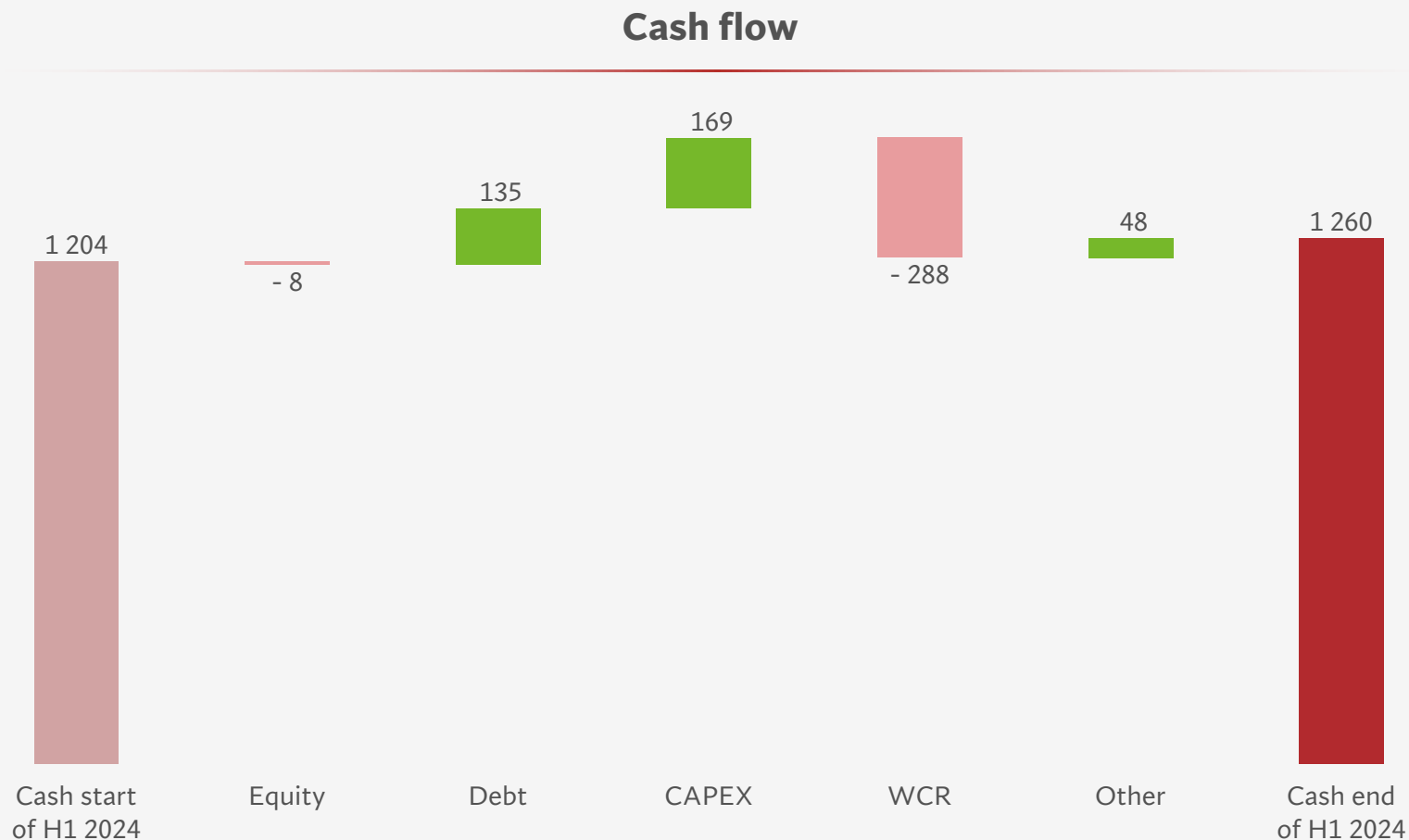
Net income



Cash flow

Slight improvement in cash position

(Figures in M MAD)



- * Increase in cash and cash equivalents of MAD 56 million compared with the beginning of 2024, mainly due to the following factors:
- * Increase in borrowings of MAD 135 million, financing net investment after depreciation of MAD 314 million.
- * The decrease in fixed assets of MAD169 million was driven by:
- * An investment of MAD 579 million, marked by the continuation of the store openings and renovation program.
- * The sale of Terramis equity investments for MAD 473 million.
- * A decrease in working capital by MAD 288 million, mainly due to higher inventory levels.

Cash flow statement

IN K MAD	Actual 2023		Actual H1 2024		Variation vs 2023	
	Amount	d of sales	Amount	d of sales	Amount	d of sales
FR	814 807	21	1 111 345	29	296 538	8
Shareholders' equity	3 229 463	83	3 221 101	85	-8 362	1
Net income	523 797		266 977		266 977	
Dividend distribution	-250 000		-280 000		-280 000	
Financing debt	4 853 356	125	4 988 835	132	135 479	7
New Debt: CMTs	395 000		372 101		372 101	
Repayment of old debt						
CMT reimbursements	-274 273		-160 908		-160 908	
Bond redemptions	-105 000		-75 714		-75 714	
Permanent financing	8 082 819	208	8 209 936	216	127 117	8
<i>Net debt ratio</i>	<i>53,1%</i>		<i>53,8%</i>		<i>0.7 Pb</i>	
Fixed assets	-7 268 013	-187	-7 098 591	-187	169 422	0
Normative WCR	1 144 900	30	856 518	23	-288 382	-7
Stock	-2 489 179	-64	-2 628 015	-69	-138 836	-5
Property stock	-245 556	-6	-323 834	-9	-78 278	-2
Receivables / Payables	3 879 635	100	3 808 368	101	-71 267	0
Other current assets	-755 998	-19	-707 940	-18	48 058	1
CASH & INVESTMENTS	1 203 709	31	1 259 923	33	56 214	2

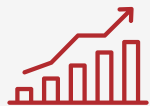
Changes in financial structure



Net debt
3,729 M MAD



Gearing
53,8%



Shareholders' equity
3,221 M MAD



CAPEX
579 MILLION
Restated Terramis disposals



WCR in days
23 d

03

ESG Strategy & Highlights



ESG: evolving towards international standards

- * Defining and deploying our new sustainable ambitions, while enhancing performance across our various areas of commitment

How ?

1

Drawing up a materiality matrix to identify the priority sustainability issues for Group LabelVie, taking into account both financial and non-financial perspectives, as well as national and international legislative requirements



2

Developing a detailed ESG action plan aligned with the company's strategic objectives and the requirements of various international and national sustainability standards



04

Outlook



Outlook for Label Vie

- * Operational and financial targets for 2024 remain on track
- * H2 2024 will see an acceleration in store openings, with +55 new stores (across all formats) and expansion into new cities such as Kalaat Sraghena and Taourirt.
- * Since July 1st, 2024, 7 new stores have been opened