الهيئة المغربية لسوق الرساميل
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AUTORITÉ MAROCAINE DU MARCHÉ DES CAPITAUX

# Admissibility decision of the public buyout offer project of Centrale Danone shares on the initiative of Compagnie Gervais Danone

Pursuant to the provisions of article 31 of the Law No. 26-03 relating to public offers on the stock market as amended and supplemented, the AMMC examined the Public Buyout Offer (PBO) project of Centrale Danone shares filed by Compagnie Gervais Danone.

Following this filing, the AMMC has requested the Casablanca Stock Exchange, pursuant to the provisions of article 30 of the aforementioned Law, to proceed with the suspension of trading on Centrale Danone shares.

## 1- The general framework of the operation

The Board of Directors of Centrale Danone, held on the 2nd December of 2021, has decided to delist the shares of Centrale Danone from the Casablanca Stock Exchange and has taken note of the fact that such delisting entails the obligation for Compagnie Gervais Danone and any person acting in concert with it, on their own initiative and prior to the delisting, to proceed with a public Buyout Offer in accordance with the provisions of Article 20 bis of Law 26-03 mentioned above.

The Board of Directors of Compagnie Gervais Danone, held on the 2nd of December 2021, has decided to launch a Public Buyout Offer on Centrale Danone shares.

Before filing the Buyout Offer project, the distribution of capital and voting rights of Centrale Danone is as follows:

| Shareholders | Number of shares | Share of equity and voting rights in % |
|---|---|---|
| Compagnie Gervais Danone | 9 389 865 | 99,68% |
| Other shareholders | 30 135 | 0,32% |
| Total | 9 420 000 | 100% |

*Reference: Centrale Danone*

## 2- Terms of the offer

The buyout offer targets the acquisition of all Centrale Danone shares not held by Compagnie Gervais Danone, i.e. 30 135 shares representing 0,32% of Centrale Danone capital and voting rights, at a price of 550 MAD.

Centrale Danone shareholders will have the opportunity to tender, fully or partially, their shares to the offer.

Compagnie Gervais Danone is committed to firmly and irrevocably acquire all shares tendered to the Public Buyout Offer by the shareholders of Centrale Danone.

No waiver threshold is provided for as part of this Public Buyout Offer.

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## 3- Examination of admissibility :

With reference to the provisions of Articles 13 and 32 of the aforementioned Law, the AMMC has assessed the proposed Public Buyout Offer in terms of the following:

### ▬ The characteristics of the proposed offer

The AMMC has examined the characteristics of the proposed offer with regards to the principles of the Article 13 and in particular the principles of transparency and equal treatment of shareholders. As such, the AMMC noted that the equal treatment requirement is met to the extent that the offer targets all the shares of Centrale Danone not held by the initiator.

In addition, the valuation of the shares targeted by the offer has been undertaken by the independent valuator "Hdid et Associés", represented by M. Mohamed HDID whose nomination has been approved beforehand by the AMMC.

In addition, the multi-criteria analysis used for pricing has been reviewed by the AMMC and is as follows:

- **Discounted cash flows method:** The valuation is based on the future cash flows arising from Centrale Danone's business plan, discounted at the average weighted cost of capital, and increased by a discounted terminal value. Using this method, the resulting value of Centrale Danone share is **488,24 MAD** based on the 2020 financial data and **503,22 MAD** based on 2021's estimated financial data;
- **Market comparables method:** The valuation is performed by applying multiples observed on a sample of comparable listed international companies to the financial aggregates of the company. The multiple used for the valuation of Centrale Danone is the EBITDA Multiple. Using this method, the resulting value of Centrale Danone share is **429,84 MAD** based the 2020 financial data and **420,35 MAD** based on 2021's estimated financial data;
- **Transactional comparables method:** This method is based on the valuation of Centrale Danone by reference to multiples implied by significant transactions on the capital of companies operating in the same industry and presenting comparable financial and operational characteristics. Using this method, the resulting value of Centrale Danone share is **472,18 MAD** based on the 2020 financial data and **525,97 MAD** based on 2021's estimated data;
- **Stock prices Approach:** this method is based on the use of the volume weighted average prices of Centrale Danone's share over 6, 12, 24 and 36 months preceding the 17th of November 2021. The share value that results from the application of this method is **515,45 MAD.**

A summary of the valuation made by the independent valuator is presented in the following table:

| Valuation method | Share Price *(in MAD)* | | Weights |
|---|---|---|---|
| | 2020 | 2021e | |
| DCF | 488,24 | 503,22 | 25% |
| Market comparables method | 429,84 | 420,35 | 25% |
| Transactional comparables method | 472,18 | 525,97 | 25% |
| Stock prices approach | 515,45 | | 25% |
| **Weighted Mean** | **476,43** | **491,25** | **100%** |

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The price per share determined by the initiator's board of directors for the Public Buyout Offer is **550 MAD per share**.

Given all the above, the AMMC considers the valuation methods as relevant and commonly used, based on known, accurate, objective, significant and multiple criteria that correspond to the characteristics of the target company. Also, the AMMC deems the characteristics of the offer to be consistent with the principles set out in Article 13 mentioned above.

- **Opinion of the independent valuator**

The report of the independent valuator concludes to the fairness of the price offered to minority shareholders of Centrale Danone in the framework of the public buy-out offer subject of the present admissibility decision.

- **National strategic interests**

Pursuant to the provisions of article 29 of the aforementioned law n°26-03, the AMMC has submitted the offer project to the Ministry of Economy and Finance for its assessment in terms of strategic national interests. The Ministry has not expressed any objection on the project.

4- **AMMC Decisions:**

- **Agreement to the proposed offer**

Given all the the above, the AMMC declares admissible the proposed Public Buyout Offer initiated by Compagnie Gervais Danone on Centrale Danone shares at a price of 550 MAD.

- **Schedule**

The final schedule of the offer will be determined later. It has to be approved beforehand by the Casablanca Stock Exchange.

- **Resumption of Centrale Danone shares trading**

The AMMC will request the Casablanca Stock Exchange to resume trading of Centrale Danone share's on Wednesday, 16th of February 2022.

Rabat, February the 11th , 2022

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