

Local

COMPANY ANNOUNCEMENTS

Results of the 2020 Annual General Meeting (AGM)



- Choppies announced the results of their 2020 AGM held 18 Dec 2020, all resolutions were passed by 73% or more in favour, except:
 - Ordinary Resolution 2: The appointment of Mr. Uttum Corea as a director. 59% voted in favour and 41% against.
 - Ordinary Resolution 3.2: The re-election of Ms. Carol Jean Harward. 59% voted in favour, and 41% against.
 - Special Resolution 7: The ratifying of donations for the year ended 30 Jun 2020. 65% voted in favour and 35% against.
- P0.60 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P782.2mn



Notice of Annual General Meeting (AGM)

- BBS announced its AGM will be held on 30 Dec 2020 virtually and physically at Avani Hotel Conference Center in Gaborone and published its audited summarised financial results for the year ended 19 Dec 2020, with no material changes to the previously released unaudited results.
- P1.09 (YTD: 0.00%) PE: N/A PB: 1.0 D/Y: 0.00% Mkt Cap: P531.3mn



Change of Company Name

- GetBucks announced the change of their name with immediate effect to FirstCred.
- FirstCred will be listed on the BSE as FCL, in line with the new company strategy, following their restructuring.



Withdrawal of Cautionary Announcement and Closed Period Announcement

- LLR withdrew its statement advising unit holders to exercise caution over negotiations to acquire a significant shareholding in a property investment business as it reassesses it's the effects of Covid-19 on its operations and exercises caution on transactions.
- LLR also announced it had entered a closed period to prepare financial results for the year ended 31 Dec 2020. The closed period would commence 1 Jan 2021, and end on, or before 31 Mar 2021.
- P2.29 (YTD: 0.00%) PE: 10.3 PB: 0.8 D/Y: 7.04% Mkt Cap: P641.2mn

Cautionary Announcement



- Cresta announced it had entered agreements with Phakalane Estates Proprietary Limited, Nectar Holdings Proprietary Limited, and Real Time Services Proprietary Limited, to lease Phakalane Golf Estate Hotel & Convention Centre (Phakalane Golf Estate) for 10 years, with an option to renew the 10-year lease.
- Cresta announced the Phakalane Golf Estate agreement included the acquisition of certain furnishings for consideration of P10 727 200, payable over a 24-month period.
- The agreements are still pending regulatory approval and are expected to be effective as of 1 Feb 2021.
- P1.30 (YTD: 0.00%) PE: N/A PB: 1.3 D/Y: 0.00% Mkt Cap: P240.0mn

Dividend Distribution



- RDC announced a second interim distribution comprising of a dividend of 0.075t/share and 3.745t/share interest per debenture, for the period ended 31 Dec 2020.
- The dividend will be payable 28 Apr 2021, to linked unit holders registered at the close of business on 16 Apr 2021, with a record date of 14 Apr 2021.
- P2.15 (YTD: 0.00%) PE: 8.1 PB: 0.5 D/Y: 3.95% Mkt Cap: P759.9mn

Integrated Resource plan



- The Ministry of Mineral Resources, Green Technology and Energy Security announced the launch of an Integrated Resource Plan for years 2020 – 2040.
- Under the plan, the Government of Botswana will install 1,540MW of energy by 2040, to be implemented as follows:
 - New Coal: 300MW, installed by 2026— procurement to start 2021;
 - Coal Bed Methane (CBM): 10MW, installed by 2025, increasing to 250MW by 2040— currently under procurement;
 - Photovoltaic (PV): 100MW, installed by 2022, 100MW by 2027, cumulatively increasing to 600MW by 2040— currently under procurement;
 - Concentrating Solar Power (CSP): 200MW, installed by 2026-- procurement to start 2021
 - Wind: 50MW, installed by 2027-- procurement to start 2024; and,
 - Battery Storage: 18MW, installed by 2032, increasing to 140MW by 2040— procurement to start 2029



Closed Period Announcement

- BIHL announced that it had entered a closed period for the preparation of financial results for the year ended 31 Dec 2020. The closed period will begin 1 Jan 2021 and end 9 Mar 2021.
- P17.50 (YTD: 0.00%) PE: 9.4 PB: 1.7 D/Y: 7.26% Mkt Cap: P4,941.5mn

Strategy Update and Closed Period Announcement



- Letshego announced it was continuing with the execution of its 6-2-5-year Transformation Strategy. The focus of which would be:
 - Expanding Digital Access Channels: Letshego has achieved 30% digitisation from 2% in Feb 2020, en route to achieving the 2025 goal of 80% digitisation.
 - Diversifying Product Offerings: Letshego had expanded support for the education sector and green financing initiatives through programs piloted in Botswana and Ghana, with planned widespread offerings for H1 2021.
 - Rebalancing the Portfolio Geographically: The Group had seen increased revenue contribution from East and West Africa to 2020 sales.
 - Focusing on Enterprise Agility and Providing Sustainable Shareholder value: The company had respective subsidiaries and units certified for International Agile Working and commenced the groundwork for a Regional Shared Service Centre – a central resource to optimise operations.
- Letshego updated shareholders on the overall performance of the business and its strategy. Letshego stated that:
 - Operating income and earnings before taxes had improved from H1 2020 in H2.
 - H1 2020 operating costs were higher due to strategy execution.
 - Overall performance was driven by pay-out volumes and credit portfolio performance.
 - Asset quality remained strong and collections were not expected to drop below the 90th percentile.
 - Single exposure portfolios had normalised in H2 from H1 2020.
- Letshego announced it had entered a closed period to prepare the financial results for the period ended 31 Dec 2020. The period commenced 1 Jan 2021 and would end 3 Mar 2021.
- P0.75 (YTD: +4.17%) PE: 2.7 PB: 0.4 D/Y: 15.47% Mkt Cap: P1,608.3mn



Closed Period Announcement

- CA Sales announced that it had entered a closed period for the preparation of financial results for the year ended 31 Dec 2020. The closed period began on 1 Jan 2021 and ends on 31 Mar 2021.
 - P3.74 (YTD: 0.00%) PE: 13.8 PB: 1.6 D/Y: 1.84% Mkt Cap: P1,691.0mn
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Closed Period Announcement

- G4S announced that it has entered a closed period for the preparation of financial results for the year ended 31 Dec 2020. The closed period commenced 1 Jan 2021 and ends 31 Mar 2021.
- P3.40 (YTD: 0.00%) PE: 13.0 PB: 2.2 D/Y: 0.00% Mkt Cap: P272.0mn



Closed Period Announcement

- Sechaba announced that it has entered a closed period for the preparation of financial results for the year ended 31 Dec 2020. The closed period began 1 Jan 2021 and ends 31 Mar 2021.
- P20.65 (YTD: 0.00%) PE: 17.6 PB: 3.8 D/Y: 2.71% Mkt Cap: P2,284.2mn



Announcement of License Renewal and Debt Financing Prospects

- Lucara announced it had successfully renewed Mining License No 2008/6L for Karowe Mine effective 4 Jan 2021, for 25 years, up to 2046, following an approval by the Ministry of Resources, Green Technology and Energy Security.
- Lucara announced it was exploring debt financing in the second half of 2021 for its underground expansion project. The project:
 - Has a revised 2020 budget of \$22 million, following Covid disruptions.
 - Has estimated capital costs of \$514 million.
 - Has a five-year period of development.
 - Is expected to realize its first ore in 2026.
- P5.11 (YTD: 0.00%) PE: N/A PB: 0.9 D/Y: 0.00% Mkt Cap: P2,028.1mn



Results of the 2020 Annual General Meeting (AGM)

- Shumba announced the results of their AGM held 31 Dec 2020; all resolutions passed by at least 98.77% votes in favour.
- P0.95 (YTD: 0.00%) PE: 9.2 PB: 2.2 D/Y: 0.00% Mkt Cap: P278.2mn



Results of the Extraordinary General Meeting (EGM)

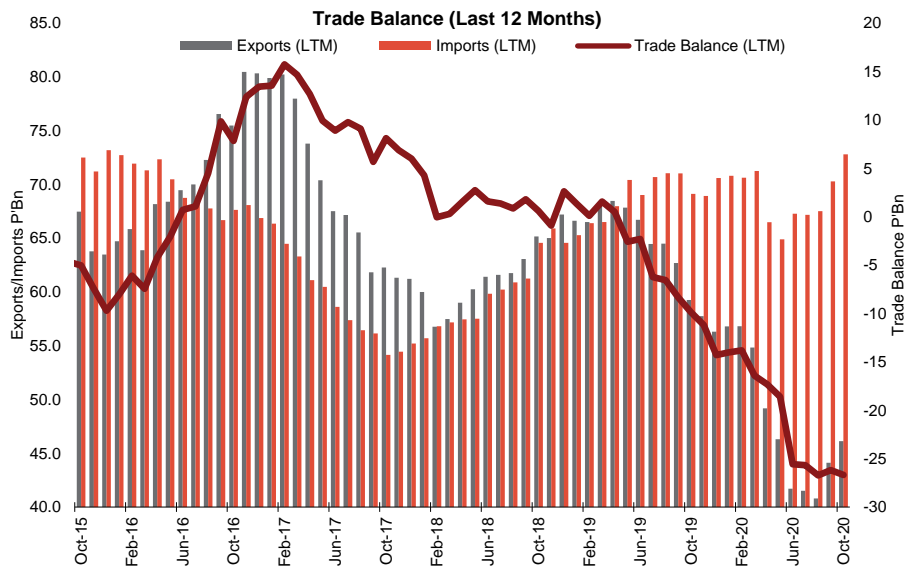
- Seed Co International Limited (SCIL) announced the results of their EGM, held 31 Dec 2020. All resolutions passed by 90%+ votes in favour, except:
 - Ordinary Resolution 2: The reverse acquisition of Seed Co Limited (SCL) by purchasing up to 247 169 845 (total issued share capital) ordinary shares of Seed Co Limited. 69% voted in favour, 39% voted against.
 - Vilmorin & Cie and Seed Co Limited, Seed Co International Limited shareholders, were precluded from voting on the acquisition resolution by virtue of being related parties per BSE Equity Listings Requirements.
- P1.85 (YTD: 0.00%) PE: 5.6 PB: 0.9 D/Y: 0.00% Mkt Cap: P705.7mn



Listing of New Shares Issued

- Olympia announced the listing of 35 749 985 shares which will increase the total issued shares to 64 349 985, following a share issue that saw 6 shareholders subscribe to the newly listed shares, and the rest to the underwriter, Olympia Capital Holdings Limited.
- Following the issue and listing, Olympia Capital Holdings Limited will hold 39 047 650 shares, or 60.6% of the issued shares.
- P0.24 (YTD: 0.00%) PE: 8.1 PB: 0.5 D/Y: 0.00% Mkt Cap: P15.4mn

OCT20 TRADE BALANCE (TB) – DIAMOND TRADE EASES DETERIORATION IN TRADE BALANCE



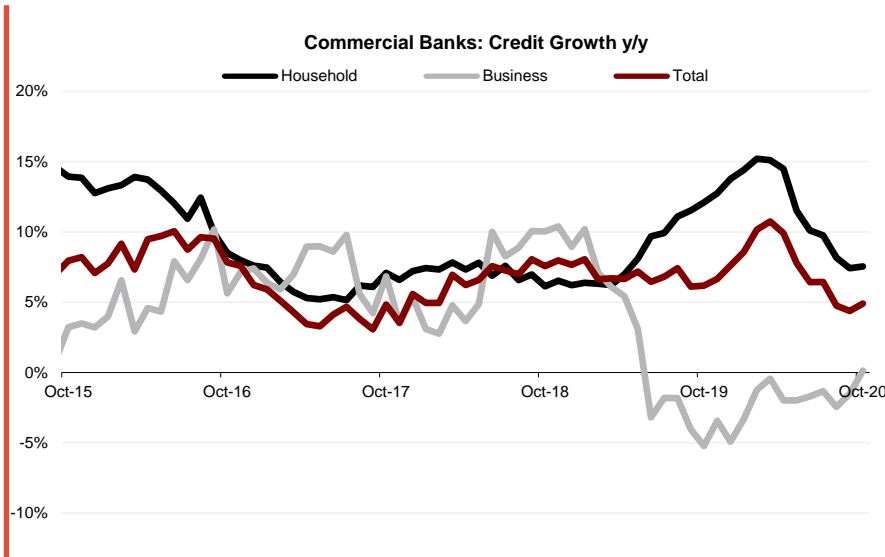
- Oct20 TB -P3.4bn v -P0.6bn (Sep20)
- Oct20 LTM TB -P26.7bn v -P26.2bn (Sep20)
- Deterioration in the TB was due to plummeting diamond exports. Oct20 Diamond TB P0.74bn for the month and P19.04bn LTM.
- LTM diamond trade still -45% versus 2019.

BDC FY20 RESULTS – INTEREST INCOME DROVE SHARP MARGIN INCREASES

Income Statement P'Mn	FY 20	FY 19	% Δ
Income from trade	151	123	23%
Cost of sales	-43	-56	-22%
Gross profit	108	67	61%
Rental income	168	147	14%
Finance income	14	18	-27%
Other operating income	34	87	-61%
FV adjustment on properties	38	45	-14%
Share of associates	20	24	-15%
Marketing expenses	-6	-2	153%
Occupancy expenses	-34	-46	-26%
Impairment	-16	-54	-71%
Other operating expenses	-153	-135	13%
Operating profit	172	150	15%
Finance costs	-75	-55	37%
AFS reclassified to P&L	0	92	-100%
Profit before taxation	97	187	-48%
Tax	-22	-39	-44%
Profit for the period	75	148	-49%
Balance Sheet extract P'Mn	FY 20	FY 19	% Δ
Cash and cash equivalents	381	361	5%
Investment property	2,064	2,208	-7%
Equity accounted investees	241	212	14%
Other investments	1,563	848	84%
Total borrowings	1,538	918	68%
Equity	2,565	2,539	1%

- Revenue increase were driven by increases in interest income from a shift in portfolio equity dominance to fixed income dominance over the period.
- Gross profit + 61% due to increases in revenues and reductions in cost of sales.
- Cost efficiencies drove administrative expenses down 9%.
- Other investments in local and regional debt assets increased +84% bringing total assets to P4.5 bn

OCT20 CREDIT GROWTH (CG) – DECELERATION HALTED



- Oct20 CG y/y 4.9% v 4.4% (Sep20)
- Oct20 Household CG y/y 7.5% v 7.4% (Sep20)
- Oct20 Business CG y/y -0.1% v -1.5% (Sep20)

Largest positive contributions by Finance (+49.6% y/y), Business Services (+6.8% y/y) and Parastatals (+6.3% y/y). Largest negative contributions by Manufacturing (-31.3%), Transportation and Communication (-14.6% y/y) and Construction (-13.8% y/y).

Regional SOUTH AFRICA

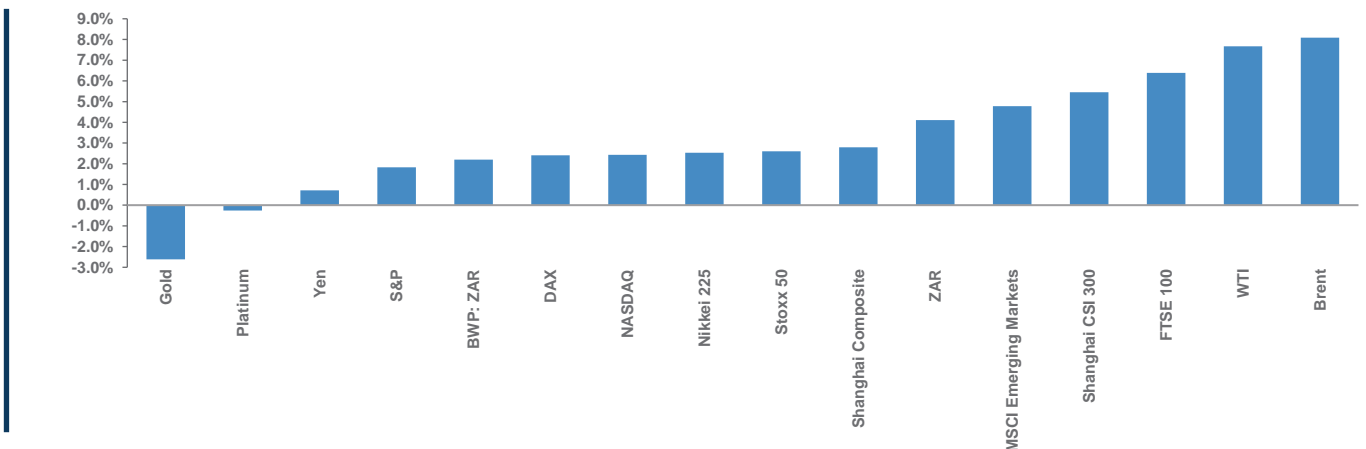
- Nov20 Trade Balance ZAR 13.6bn v ZAR 34.9bn (Oct20)

ZAR PERFORMANCE

- The South African Rand saw some pressure as the global economy imposed restrictions on travel, following discovery of the new Covid-19 strain which saw surges in the daily infections (from a daily average of 10 000 new cases before Christmas to 20 000+ new cases on the week ending 8th of January).
- ZAR 15.30 (WTD: +4.11%) v 14.61 (31 Dec 20)

International

INTERNATIONAL SNAPSHOT – 8 JAN 2021 WEEKLY PERFORMANCE





- Nov20 Retail Sales y/y 0.7% v 1.8% (e) v 6.4% (Oct20)
- Nov20 Preliminary Industrial Production y/y -3.4% v -2.3% (e) v -3.0% (Oct20)
- Dec20 Tokyo CPI y/y -1.3% v -0.8% (e) v -0.7% (Nov20)
- Dec20 Final Manufacturing PMI 50.0 v 49.7 (Nov20)
- Japanese equities continued to rise riding on a \$900 US stimulus and expectations of greater stimulus following a US Democratic win of the senate.
- Nikkei 225: 28,139 (WTD: +2.53%), Yen: 104.94 (WTD: +0.72%)



- Eurozone Dec20 Final Manufacturing PMI 55.2 v 55.5 (e) v 55.5
- France Dec20 Final Manufacturing PMI 51.1 v 51.1 (e) v 51.1 (Nov20)
- Germany Dec20 Final Manufacturing PMI 58.3 v 58.6 (e) v 58.6 (Nov20)
- European equities rallied following the agreement of a UK-EU trade deal and expected further stimulus spending from US Democrats as they take control of the US Senate.
- DAX: 14,050 (WTD: +2.41%), Stoxx50: 3,645 (WTD: +2.60%), FTSE100: 6,873 (WTD: +6.39%)



- Dec20 Caixin Manufacturing PMI 53.0 v 54.7 (e) v 54.9. (Nov20)
- Dec20 Non-Manufacturing PMI 55.7 v 56.3 (e) v 56.4 (Nov20)
- Chinese equities rallied with global expectations for reflation, increased infrastructure spending, and continued Covid-19 economic recovery.
- SHSZ300: 5,495 (WTD: +5.45%), SHCOMP: 3,570 (WTD: +2.79%)



- 2 Jan 21 Initial Jobless claims 787k v 800k (e) v 790k (26 Dec 20)
- Dec20 ΔNon-Farm Payrolls -140k v 50k (e) v 245k (Nov20)
 - Unemployment rate 6.7% v 6.8% (e) v 6.7% (Nov20)
 - Labour Force Participation Rate 61.5% v 61.5% (e) v 61.5% (Nov20)
- Dec20 ISM Manufacturing PMI 57.1 v 56.8 (e) v 56.5 (Nov20)
- 3Q20 Third Estimate GDP Annualised q/q 33.4% v 33.1% (e) v -31.1% (2Q20)
- US equities ended the week on a high following the official certification of Joe Biden as President-elect and the Democratic Senate win in Georgia, handing them full control of the White House and Legislature.
- NASDAQ: 13,202 (WTD: +2.43%), S&P 500 3,825 (WTD: +1.83%)

COMMODITIES



- ΔUS Crude Inventories -8,010k bbl. (1 Jan 20) v -2,697k bbl. (e) v -6065k bbl. (25 Dec 20)
- ΔUS Oil Rigs +9; 360 (8 Jan 21) v 351 (25 Dec 20)
- ΔNorth American Oil Rigs +67; 477 (08 Jan 21) v 410 (25 Dec 20)
- Global oil prices rose as Saudi Arabia committed to unilaterally cut 1 million barrels of oil a day starting Feb 2021 and general optimism of a faster global recovery from Covid-19.
 - WTI: \$52.24 (WTD: +7.67%)
 - Brent Crude: \$55.09 (WTD: +8.09%)



- Precious metals fell on account of increased investor risk sentiment following the US stimulus package.
 - Gold: \$1,849 (WTD: -2.60%)
 - Platinum: \$1069 (WTD: -0.27%)



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