



Local

COMPANY ANNOUNCEMENTS

Financing Progressing with Key Funder



- Tlou announced that it is working with a number of parties to secure funding for the Lesedi project and the most advanced discussions are with a Botswana based entity, whose name it cannot reveal on account of confidentiality.
- Tlou confirmed that the investment committee of the entity and board have discussed advancing funding and are favourably disposed to Tlou's proposal. They are now proceeding to get a third-party technical review of the project as part of their due diligence process. Once this is complete an investment decision will be made.
- P0.50 (YTD: +51.52%) PE: N/A PB: 0.6 D/Y: 0.00% Mkt Cap: P256.6mn

Closed Period Announcement



- Chobe announced that it is currently preparing its results for the 28 Feb 21 yearend and this is expected to continue to 31 May 21 when results will be released.
- Chobe has thus declared a closed period from 1 Mar 21 to the date results are published.
- P9.30 (YTD: -1.38%) PE: N/A PB: 2.5 D/Y: 0.00% Mkt Cap: P831.8mn

Interest Distribution to Linked Unitholders



- PrimeTime gave notice that it has declared an interim interest distribution of 5.26t/linked unit for the period Sep20-Dec20 payable on 29 Mar 21.
- It will be paid at the same time as the 3.14t/linked unit final interest distribution declared for FY20.
- P2.70 (YTD: -1.82%) PE: N/A PB: 0.9 D/Y: 5.53% Mkt Cap: P660.6mn

Notice of Appointment of Managing Director



- G4S announced that it has appointed Mr Mothusi Molokomme as Managing Director effective 1 Mar 21.
- Mr Molokomme was previously the Managing Director of Distell Botswana.
- P3.00 (YTD: -11.76%) PE: 11.5 PB: 1.9 D/Y: 0.00% Mkt Cap: P240.0mn

Cautionary Announcement and New Appointments to the Board



- Sechaba announced that it expects profit before tax (PBT) for the 31 Dec 20 yearend to be ~P29.1mn (15%) lower than the P197mn PBT reported for the 31 Dec 19 yearend.
- Sechaba also announced that it has appointed Mr Jayaraman (Jay) Ramesh, Ms Boitumelo Paya and Mr Meshack Tshekedi to the board effective 1 Mar 21. Mr Ramesh is currently the non-executive Chairperson of Botho University, Ms Paya is currently the CFO of BTCL, and Mr Tshekedi is currently the CEO of Botswana Oil Limited.
- P18.25 (YTD: -11.62%) PE: 15.5 PB: 3.3 D/Y: 3.07% Mkt Cap: P2,018.8mn

Results of the Offer by SeedCo International Limited to SeedCo Limited Shareholders



- SeedCo International Limited (SCIL) announced that 95% of SeedCo Limited (SCL) shareholders accepted its offer of 1 SCIL share for 0.98 SCL shares.
- SCIL also have notice that it has invoked Section 238 (1) of the Companies and Other Business Entities Act, where it plans to acquire the remainder of SCL shares not held by it.
- P2.20 (YTD: +18.92%) PE: 6.7 PB: 1.1 D/Y: 0.00% Mkt Cap: P839.2mn



Cautionary Announcement

- FAR announced that it expects profit before tax (PBT) for the six-month period ended 31 Dec 20 to be P5.75mn – P6.90mn (12%-15%) higher than then the P47.97mn PBT reported for the six-month ended 31 Dec 19.
- FAR will publish its results before the end of Mar21.
- P2.45 (YTD: -0.81%) PE: 11.3 PB: 1.2 D/Y: 6.86% Mkt Cap: P1,096.9mn



Cautionary Announcement

- Stanchart announced that the profit before tax (PBT) for the 31 Dec 20 yearend will be P29.2mn- P32.5mn (42%-47%) higher than the P69.6mn PBT reported for 31 Dec 19 yearend.
- Results are expected to be published before 31 Mar 21.
- P1.50 (YTD: +3.45%) PE: 3.8 PB: 0.4 D/Y: 12.25% Mkt Cap: P447.5mn



Change in Operating Times of Restaurant Bars and Bottle Stores

- The Ministry of Investment, Trade and Industry released a press release announcing:
 - Operating times for restaurant bar have been revised, to exclude the sale of liquor on Saturday and Sunday.
 - Operating times for bottle stores have been extended from 1600 to 1800 from Monday to Friday.



Fuel Price Adjustment

- BERA announced increases in pump prices for petrol and diesel effective 1 Mar 21, as follows:
 - Unleaded Petrol 93 will increase by 58t/litre.
 - Unleaded Petrol 95 will increase by 57t/litre.
 - Diesel 50ppm will increase by 52t/litre.
 - The increase in pump prices was done to align with increased international crude oil and refined petroleum products prices which rose as a result of optimism brought by the rollout of the coronavirus vaccine.
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CAPRICORN HY21 RESULTS – INCREASED IMPAIRMENTS WEIGH ON EARNINGS

Income Statement NAD'Mn	HY 21	HY 20	% Δ
Interest income	1,967.3	2,404.1	(18%)
Interest expense	(955.1)	(1,317.6)	(28%)
Net interest income	1,012.2	1,086.5	(7%)
Impairment charges	(155.6)	(54.3)	187%
Net interest income after impairment	856.6	1,032.2	(17%)
Non-interest income	706.4	684.6	3%
Operating income	1,563.0	1,716.7	(9%)
Operating expenses	(986.0)	(963.4)	2%
Operating profit	576.9	753.4	(23%)
Share of joint arrangements after tax	-	1.9	(100%)
Share of associates after tax	55.0	40.9	35%
Loss from discontinued operations	(40.9)	(30.6)	34%
Profit before taxation	591.0	765.5	(23%)
Tax	(162.9)	(208.3)	(22%)
Profit for the period	428.1	557.2	(23%)
Balance Sheet extract NAD'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	1,762.1	1,247.3	41%
Loans to customers	40,725.4	39,715.3	3%
Financial assets through other comprehensive income	5,072.8	5,163.3	(2%)
Assets held for sale	1,320.5	-	100%
Deposits from customers	40,800.7	37,924.1	8%
Debt securities in issue	5,454.4	5,411.1	1%
Equity	6,977.8	6,510.1	7%

- Interest income -18% due to unprecedented rate reductions by central banks.
- Interest expense -28% due to effective management of cost of funding.
- Impairment charges 1.9x due to challenging economic and market conditions in the wake of lockdowns imposed to fight the COVID-19 pandemic.
- Non-interest income +3% due to growth in income from electronic channels and asset management fees.
- Associate income +35% due to additional contribution of Paratus Group in the current year.
- Loss from discontinued operations related to Cavemont Bank in Zambia.
- Profit for the period -23% due to reduced net interest income and increased impairment charges.

FNBB HY21 RESULTS – JUMP IN IMPAIRMENTS HURTS EARNINGS

Income Statement P'Mn	HY 21	HY 20	% Δ
Interest income	713.4	841.9	(15%)
Interest expense	(136.0)	(153.7)	(12%)
Net interest income	577.4	688.1	(16%)
Impairment of advances	(199.4)	(172.3)	16%
Net interest income after impairment	378.1	515.9	(27%)
Non-interest income	638.9	666.1	(4%)
Income from operations	1,017.0	1,182.0	(14%)
Operating expenses	(298.4)	(325.0)	(8%)
Employee benefit costs	(292.9)	(302.3)	(3%)
Profit before taxation	425.8	554.6	(23%)
Tax	(98.9)	(129.6)	(24%)
Profit for the period	326.9	425.0	(23%)
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	4,743.2	4,807.0	(1%)
Advances to customers	14,118.6	15,907.7	(11%)
PPE	580.3	621.8	(7%)
Customer deposits	21,238.8	20,122.7	6%
Equity	3,721.5	3,505.4	6%

- Interest income -15% due to -11% growth in advances to customers and effect of 100bps Bank Rate cut.
- Interest expense -12% due to shift towards overnight funding.
- Impairment +16% due to increased credit provisioning to cater for the effects of COVID-19.
- Non-interest income -4% due to decline in FX trading.
- Profit for the period -23% due to decline in interest income and increase in impairments.
- Dividend of 6t/share declared, payable on 30 Mar 21.
P2.15 (YTD: -2.27%)
PE: 9.2
PB: 1.5
D/Y: 6.51%
Mkt Cap: P5,469.0mn

LETSHEGO FY20 RESULTS – DROP IN INTEREST INCOME PULLS EARNINGS LOWER

Income Statement P'Mn	FY 20	FY 19	% Δ	
Interest Income	2,712.3	2,974.8	(9%)	<ul style="list-style-type: none"> Interest income -9% due to lost trading during lockdowns instituted. Interest expense -8% due to a more diversified funding base. Employee costs +9% due to one-off exit costs. Credit loss -85% due to improvement in asset quality, release of some specific provisions and reversal of some COVID-19 provisions. Profit -13% due to reduced interest income and stable expenses. Dividend of 8.3t/share declared, payable on 12 May 21. P0.75 (YTD: +4.17%) PE: 2.5 PB: 0.3 D/Y: 16.27% Mkt Cap: P1,608.0mn
Interest expense	(851.0)	(923.8)	(8%)	
Net interest income	1,861.3	2,051.0	(9%)	
Other income	212.5	273.0	(22%)	
Fee & commission income	71.0	59.5	19%	
Operating Profit	2,144.9	2,383.5	(10%)	
Employee costs	(493.5)	(454.0)	9%	
Other operating expenses	(595.3)	(622.7)	(4%)	
Net income before impairment	1,056.1	1,306.7	(19%)	
Expected credit loss	(25.8)	(169.1)	(85%)	
Profit before taxation	1,030.3	1,137.6	(9%)	
Tax	(399.4)	(411.3)	(3%)	
Profit for the period	630.9	726.3	(13%)	
Balance Sheet extract P'Mn	FY 20	FY 19	% Δ	
Cash and cash equivalents	1,043.9	1,035.5	1%	
Advances	10,161.5	9,071.5	12%	
Customer Deposits	664.4	426.7	56%	
Borrowings	5,649.6	4,966.8	14%	
Equity	4,789.6	4,620.9	4%	

Regional

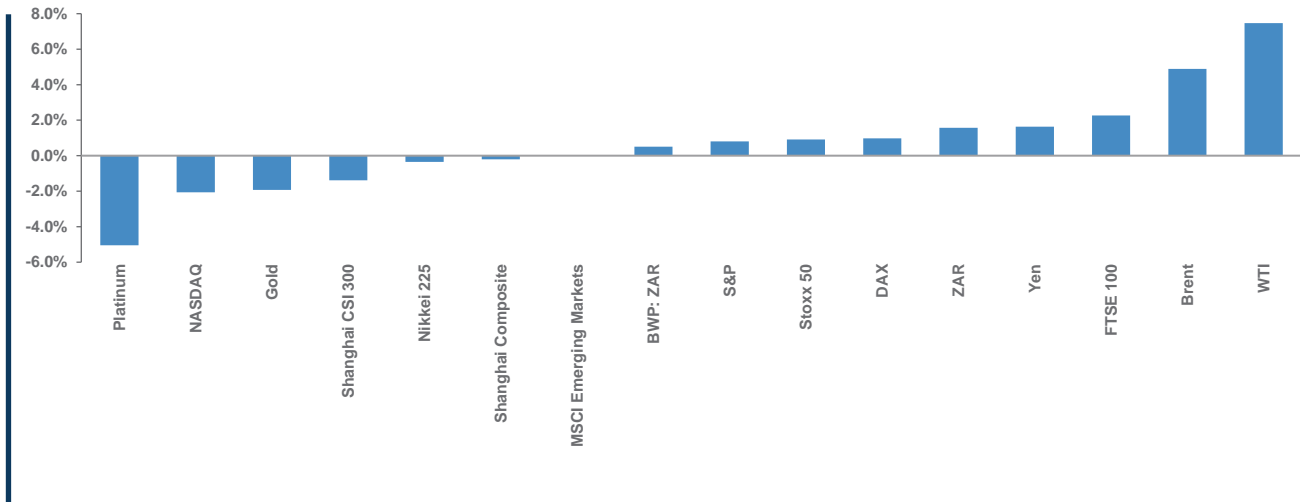
SOUTH AFRICA

- Feb21 Absa Manufacturing PMI 53.0 v 51.0 (e) v 50.9 (Jan21)
- Feb21 Standard Bank PMI 50.2 v 51.0 (e) v 50.8 (Jan21)

ZAR PERFORMANCE

- The ZAR weakened for the week as risk-off sentiment continued with yields on US treasuries climbing higher causing investors to become more cautious on developing world currencies.
- ZAR 15.36 (WTD: +1.57%) v 15.12 (26 Feb 21)

INTERNATIONAL SNAPSHOT – 5 MAR 21 WEEKLY PERFORMANCE



- Feb21 Final Manufacturing PMI 51.4 v 49.8 (Jan21)
- Japanese equities fell for another week as US treasury yields continued to grind higher causing investors to reevaluate current equity valuations.
- Nikkei 225: 28,864 (WTD: -0.35%), Yen: 108.31 (WTD: +1.63%)



- Eurozone Feb21 Final Manufacturing PMI 57.9 v 57.7 (e) v 54.8 (Jan21)
- France Feb21 Final Manufacturing PMI 56.1 v 55.0 (e) v 51.6 (Jan21)
- Germany Feb21 Final Manufacturing PMI 60.7 v 60.6 (e) v 57.1 (Jan21)
- European equities closed in the green for the week driven by investor optimism on COVID-19 vaccinations and progress made on implementing another round of fiscal stimulus in the US.
- DAX: 13,921 (WTD: +0.97%), Stoxx50: 3,670 (WTD: +0.91%), FTSE100: 6,631 (WTD: +2.27%)



- Feb21 Official Manufacturing PMI 50.6 v 51.0 (e) v 51.3 (Jan21)
- Feb21 Caixin Manufacturing PMI 50.9 v 51.4 (e) v 51.5 (Jan21)
- Chinese equities closed in the red for the week due to investor risk-off sentiment driven by the continued increase in US treasury yields.
- SHSZ300: 5,263 (WTD: -1.39%), SHCOMP: 3,502 (WTD: -0.20%)



- 27 Feb 21 Initial Jobless claims 745k v 750k (e) v 736k (20 Feb 21)
- Feb21 ΔNon-Farm Payrolls 379k v 200k (e) v 166k (Jan21)
 - Unemployment Rate 6.2% v 6.3% (e) v 6.3% (Jan21)
 - Labour Force Participation Rate 61.4% v 61.4% (e) v 61.4% (Jan21)
- The US took another step towards implementing President Joe Biden's \$1.9tn stimulus package after the US Senate voted in favour of the fiscal stimulus and sent it to the House of Representatives for approval.
- US equities fell for the week as early week gains were cancelled out by investor bearishness as rising US treasury yields weigh on equity valuations.
- NASDAQ: 12,920 (WTD: -2.06%), S&P 3,842 (WTD: +0.81%)

COMMODITIES



- Δ US Crude Inventories 21,563k bbl. (26 Feb 21) v -735k bbl. (e) v 1,285k bbl. (19 Feb 21)
- Δ US Oil Rigs +1; 403 (3 Mar 21) v 402 (26 Feb 21)
- Δ North American Oil Rigs -21; 544 (3 Mar 21) v 565 (26 Feb 21)
- Oil prices rose, despite another surprise buildup in US crude inventories, on reports that OPEC+ has, against market expectations, agreed to extend production cuts into Apr21.
 - WTI: \$66.09 (WTD: +7.46%)
 - Brent Crude: \$69.36 (WTD +4.88%)



- Precious metals fell for the week as investors preferred higher yielding US treasuries to non-yielding precious metals.
 - Gold: \$1,701 (WTD: -1.93%)
 - Platinum: \$1,133 (WTD: -5.05%)



KGORI CAPITAL

INVEST WITH PRIDE

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