

Local

COMPANY ANNOUNCEMENTS

US\$220mn Debt Facility



- Lucara announced the execution of a senior secured project finance package of up to US\$220mn for the underground expansion of the Karowe mine.
- Lucara mandated five leading international financial institutions for the arrangement of the senior debt facilities. The senior debt facilities will supplement cash flows from continued operations of the Karowe open pit over the next 5 years.
- P7.00 (YTD: +36.99%) PE: N/A PB: 1.2 D/Y: 0.00% Mkt Cap: P2,778.3mn

Cash Dividend Announcement



- CA Sales announced that the Pula equivalent value of the 10.26c final dividend declared on 19 Mar 21 will be 7.56883t (i.e. P1= ZAR 1.35556).
- The dividend will be paid 12 Apr 21.
- P3.74 (YTD: 0.00%) PE: 9.9 PB: 1.4 D/Y: 2.02% Mkt Cap: P1,691.3mn

Notice of Appointment of Group Chief Risk Officer



- Letshego announced that it has appointed Mr Richard Ochieng as Group Chief Risk Officer, effective Mar21.
- Mr Ochieng was previously Standard Chartered's Country Chief Risk Officer for Botswana and Cluster Credit Head for Southern Africa for the international bank's retail banking division.
- P0.68 (YTD: -5.56%) PE: 2.3 PB: 0.3 D/Y: 17.94% Mkt Cap: P1,458.0mn

Trading Statement



- Engen announced to shareholders that its profit before tax (PBT) for the year ended 31 Dec 20 will be P33mn (18.3%) lower than the P180.2mn PBT reported for the year ended 31 Dec 19.
- The decline in profitability is due to the effects of Covid-19 lockdowns and the significant decline in global crude oil prices during the year.
- On a replacement cost basis, replacement net profit (RNP) for the year ended 31 Dec 20 increased to P94.6mn (+99.2%) from the P47.5mn RNP recorded for the year ended 31 Dec 19.
- Summary results are expected to be released by 31 Mar 21.
- P10.13 (YTD: -1.46%) PE: 19.3 PB: 3.1 D/Y: 11.06% Mkt Cap: P1,618.0mn

Small Related Party Transaction



- LLR gave notice to unitholders that it has entered into an agreement with Botswana Development Corporation (BDC) and Western Industrial Estates (WIE) for the leasing and development of Lots 22048 and 22047 in Gaborone. The leasing transaction will result in P504k additional annual rental income.
- In terms of the agreement, LLR will lease to WIE a portion of Lot 22047 for development. WIE shall in turn develop 7 004sqm of Lot 22047 and then LLR will have the option to acquire the development immediately upon completion at a net yield of 8% or at the prevailing market value in the future.
- P2.31 (YTD: +0.87%) PE: 10.6 PB: 0.8 D/Y: 7.29% Mkt Cap: P646.8mn

Cautionary Announcement



- RDCP advised its unitholders to exercise caution as it is considering various cross-border acquisitions, including Zambia, which if concluded may have an effect on the price of its securities.
- P2.15 (YTD: 0.00%) PE: 8.1 PB: 0.5 D/Y: 3.95% Mkt Cap: P759.9mn



Restriction of Movement

- Following rising cases of Covid-19 in the country, the Government of Botswana extended curfew hours to 8:00pm to 4:00am from 23 Mar 21 to 31 Mar 21.



First Purchased Covid-19 Vaccine Arrives

- The Government of Botswana received 33 600 doses of the AstraZeneca vaccine procured by it through the COVAX facility on Saturday, 28 Mar 21. The vaccines will now go through verification by the Botswana Medicines Regulatory Authority before roll out.



Results of 26 Mar 21 Government Bond Auction

- Bank of Botswana released the results of the 26 Mar 21 Government bond auction where P1bn of Government securities were on offer:
 - P545mn (55%) of the auction was allotted.
 - P359mn (120%) of the P300mn BW013 (2-Year bond) on offer was allotted at a stop-out yield of 4.8% (+30bps from last allocated auction).
 - P85mn (21%) of the P400mn BW011 (10-Year bond) on offer was allotted at a stop-out yield of 6.4% (+30bps from last allocated auction).
 - P101mn (34%) of the P300mn BW015 (22-Year bond) on offer was allotted at a stop-out yield of 6.8% (+50bps from last allocated auction).

OLYMPIA FY20 RESULTS – DEBT REDUCTION INCREASES PROFITS

Income Statement P'Mn	FY 20	FY 19	% Δ
Revenue	43.8	44.9	(3%)
Cost of sales	(29.6)	(29.0)	(2%)
Gross Profit	14.1	15.8	(11%)
Other operating income	1.0	1.2	(14%)
Other operating gains	0.0	1.2	(100%)
Movement in credit loss allowances	0.3	(0.3)	(211%)
Other operating expenses	(12.2)	(13.5)	(10%)
Profit from operations	3.3	4.5	(28%)
Investment Income	0.3	0.3	(11%)
Finance Costs	(0.3)	(1.6)	(81%)
Profit before taxation	3.3	3.2	0%
Tax	(0.7)	(0.8)	(15%)
Profit for the period	2.6	2.5	5%
Balance Sheet extract P'Mn	FY 20	FY 19	% Δ
Cash and Cash Equivalents	7.5	8.5	(11%)
Investment properties	14.2	13.8	3%
Trade and other receivables	6.2	0.9	607%
Property, plant and equipment	21.2	19.3	10%
Trade and other payables	5.1	4.9	3%
Loans from shareholders	0.1	16.5	(100%)
Equity	49.3	28.5	73%

- Revenue -3% due to lockdowns that disturbed operations in both Botswana and South Africa
- Operating profit -28% due to a decrease in other operating income and other operating gains.
- Finances costs -81% due to loans from shareholders decreasing by almost 100% on account of being converted to equity. The conversion to equity resulted in the +73% boost to equity.
- Profit for the period +5% as finance costs -81% due to debt reduction
- No dividend declared.
- P0.24 (YTD: 0.00%)
PE: 6.0
PB: 0.3
D/Y: 0.00%
Mkt Cap: P15.4mn

SECHABA FY21 RESULTS – COVID-19 RESTRICTIONS REDUCE PROFITABILITY

Income Statement P'Mn	FY 20	FY 19	% Δ
Share of profit/(loss) from associate	171	199	(14%)
Administrative expenses	(3)	(2)	15%
Operating profit	168	197	915%
Finance income	0	0	134%
Profit before taxation	168	197	(15%)
Tax	(13)	(15)	(14%)
Profit for the period	155	182	(15%)

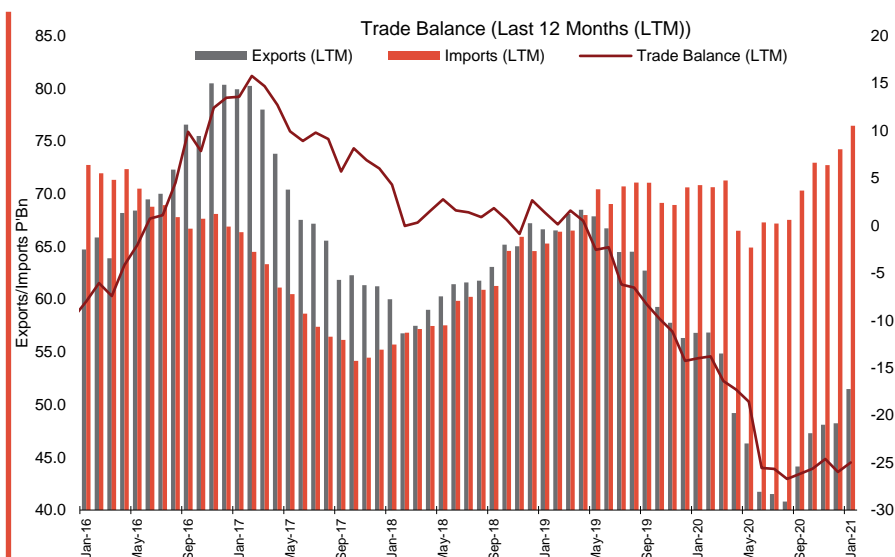
Kgalagadi Breweries Limited (KBL)	FY 20	FY 19	% Δ
Volumes (HL'000)	1,085	1,537	(29%)
PBT (Pmn)	286	371	(23%)
Tax	(47)	(68)	(32%)
Profit for the period	239	303	(21%)

Coca Cola Beverages Botswana (CCBB)	FY 20	FY 19	% Δ
Volumes (HL'000)	961	982	(2%)
PBT (Pmn)	123	135	(9%)
Tax	(21)	(30)	(31%)
Profit for the period	102	105	(3%)

Balance Sheet extract P'Mn	FY 20	FY 19	% Δ
Cash and cash equivalents	30	12	152%
Investment in associate	734	653	12%
Equity	723	630	15%

- Overall volumes -19% with declines recorded in all categories apart from alcoholic fruit beverages and energy, which recorded a growth in sales.
- Profit after Tax for KBL and CCBB showed -21% and -2% due to the cancellation of the sale of alcohol and the reduction in operating hours of restaurants and other outlets as part of Covid-19 control measures.
- Sechaba expects to achieve growth in future despite challenges related to Covid-19 as well the recently introduced sugar tax.
- Dividend of 25t/share declared, payable on 11 May 21.
- P17.40 (YTD: -15.74%)
PE: 12.4
PB: 2.7
D/Y: 1.44%
Mkt Cap: P1,924.7mn

JAN21 TRADE BALANCE (TB) – RESUMPTION OF DIAMOND SALES LEADS TO TRADE SURPLUS



- Jan21 TB P1.40bn v -P1.78bn (Dec20)
- Jan21 LTM TB -P24.98bn v -P25.92bn (Dec20)
- Increase in TB on a monthly and LTM basis driven by resumption of diamond sales.

Regional

SOUTH AFRICA

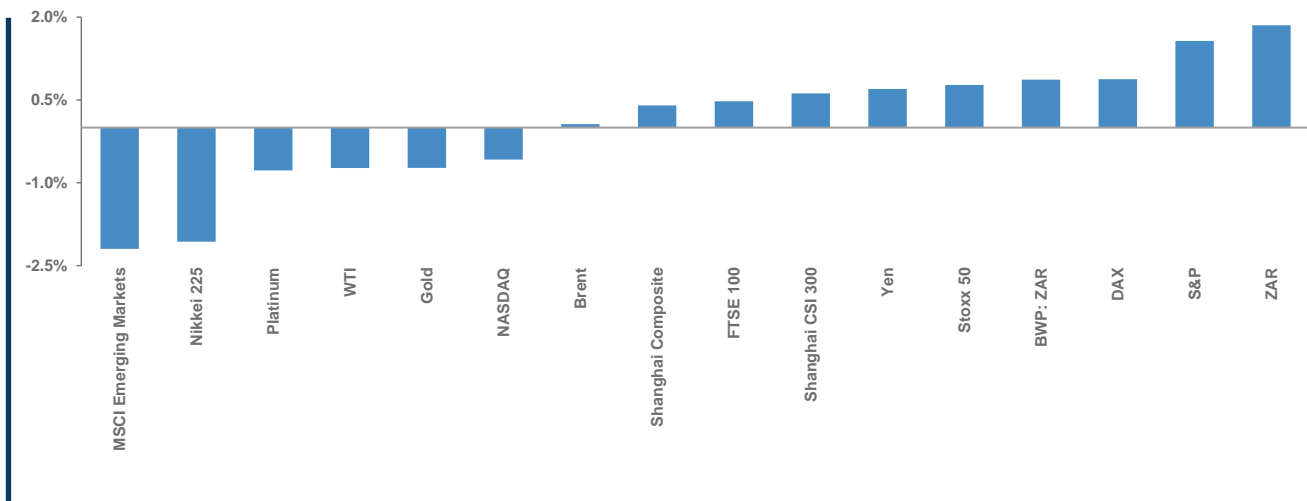
- Feb21 CPI y/y 2.9% v 3.1% (e) v 3.2% (Jan21)
- Feb21 PPI y/y 4.0% v 3.6% (e) v 3.5% (Jan21)
- The South African Reserve Bank Monetary Policy Committee met during the week and unanimously decided to maintain the Bank Rate at 3.5%.

ZAR PERFORMANCE

- The ZAR weakened against the USD for the week on account of increased Covid-19 lockdowns in Europe and other countries, as well as the continued elevation in US treasury yields.
- ZAR 14.98 (WTD: +1.85%) v 14.72 (19 Mar 21)

International

INTERNATIONAL SNAPSHOT – 19 MAR 21 WEEKLY PERFORMANCE



- Mar21 Preliminary Manufacturing PMI 52.0 v 51.4 (Feb21)
- Mar21 Tokyo CPI y/y -0.2% v -0.2% (e) v -0.3% (Feb21)
- Japanese equities closed lower for the week driven by the rise in Covid-19 cases in major European economies as well as the continued elevation in US Treasury yields.
- Nikkei 225: 29,177 (WTD: -2.07%), Yen: 109.64 (WTD: +0.70%)



- Eurozone Mar21 Preliminary Manufacturing PMI 62.4 v 57.6 (e) v 57.9 (Feb21)
- Germany Mar21 Preliminary Manufacturing PMI 66.6 v 60.5 (e) v 60.7 (Feb21)
- France Mar21 Preliminary Manufacturing PMI 58.8 v 56.3 (e) v 56.1 (Feb21)
- European equities rose for the week on account of investor optimism following the release of stronger than expected PMI figures.
- DAX: 14,749 (WTD: +0.88%), Stoxx50: 3,867 (WTD: +0.77%), FTSE100: 6,741 (WTD: +0.48%)



- 4Q20 Final Balance of Payments Current Account Balance \$123.8bn v \$93.3bn (3Q20)
- Chinese equities closed in green for the week on account of the central bank maintaining the lending rate on corporate and household loans.
- SHSZ300: 5,038 (WTD: +0.62%), SHCOMP: 3,418 (WTD: +0.40%)



- 20 Mar 21 Initial Jobless Claims 648k v 730k (e) v 781k (13 Mar 21)
- 4Q20 Third Estimate GDP Annualized q/q 4.3% v 4.1% (e) v 33.4% (3Q20)
- Mar21 Preliminary Manufacturing PMI 59.0 v 59.5 (e) v 58.6 (Feb21)
- US equities closed mixed with the continued elevation of US treasury yields weighing on the tech-heavy NASDAQ whilst the prospect of further massive spending by the US Government on infrastructure boosted the S&P.
- NASDAQ: 13,139 (WTD: -0.58%), S&P 3,975 (WTD: +1.57%)

COMMODITIES



- ΔUS Crude Inventories -1,912k bbl. (19 Mar 21) v +704k bbl. (e) v 2,396k bbl. (12 Mar 21)
- ΔUS Oil Rigs +6; 417 (26 Mar 21) v 411 (19 Mar 21)
- ΔNorth American Oil Rigs -5; 498 (26 Mar 21) v 503 (19 Mar 21)
- Oil prices were volatile for the week, eventually settling in the red for WTI and positive for Brent as investors struggled to determine the demand and supply dynamics as they contended with extended lockdowns in Europe which will limit demand and the blockage at the Suez Canal which will limit supply.
 - WTI: \$60.97 (WTD: -0.73%)
 - Brent Crude: \$64.57 (WTD +0.06%)



- Precious metals closed in the red due to continued dollar strength which has been driven by elevated US treasury yields and expectations of a strong recovery from the pandemic following reports that more stimulus, in the form of infrastructure spending, is on the way.
 - Gold: \$1,745 (WTD: -0.73%)
 - Platinum: \$1,198 (WTD: -0.78%)



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