



## COMPANY ANNOUNCEMENTS

### Results of the Rights Offer and Cautionary Announcement



- Results of the Rights Offer
  - RDC announced that it has met the minimum subscription requirement for the rights offer, with 92.8% of the 341,121,495 rights offer linked units being subscribed to. The rights offer raised P677.2mn for RDC.
  - Rights offer linked units have been conditionally allocated with final allocation expected in early Dec21 upon successful completion of the scheme offer or standby general offer to Tower Property Fund.
- Cautionary Announcement
  - RDC advised its unitholders to exercise caution as negotiations for a cross-border acquisition in Zambia are still in progress.
- P2.12 (YTD: -1.40%) PE: 35.3 PB: 0.6 D/Y: 6.08% Mkt Cap: P936.6mn

### Trading Statement



- Turnstar informed shareholders that its profit before tax (PBT) for the for the interim period ended 31 Jul 21 will at least be P17.8mn (41%) higher than the P43.2mn PBT reported for the interim period ended 31 Jul 20.
- This is due to the absence of rental concessions which were granted to commercial tenants who could not operate during the lockdown period in 2020 as well as the decline in forex losses on its USD loan.
- Results are expected to be published by 31 Oct 21.
- P1.90 (YTD: -24.00%) PE: 13.4 PB: 0.6 D/Y: 10.00% Mkt Cap: P1,087.1mn

### Cautionary Announcement



- Minergy informed shareholders that its loss before tax (LBT) for the 30 Jun 21 year end will be P7mn-30mn (6%-26%) higher than the P118mn LBT reported for the 30 Jun 20 year end.
- This is due to the increase in finance costs on the back of the full year effect of debt taken in 2020, additional debt incurred during the financial year and an increase in borrowing rates.
- Results are expected to be published by 27 Sep 21.
- P0.80 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P376.0mn

### Trading Statement



- Engen informed shareholders that its profit before tax (PBT) for the interim period ended 30 Jun 21 will be P145mn (4.9x) higher than the P29.7mn PBT reported for the 30 Jun 20 year end.
- This is due to the streaming of new retail facilities, improved business activity and the significant increase in global crude oil prices during the year.
- As a result, its gross profit for the interim period ended 30 Jun 21 will be P226.2mn (2.2x) higher than the P71.9mn gross profit reported for the interim period ended 30 Jun 20.
- Results are expected to be published by 30 Sep 21.
- P10.13 (YTD: -1.46%) PE: 16.5 PB: 2.8 D/Y: 7.05% Mkt Cap: P1,618.0mn

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## Arrival of Sinovac Vaccine Documents, Resumption of Phase Two Vaccine Rollout and Arrival of Johnson & Johnson (J&J) Vaccines



- Arrival of Sinovac Vaccine Documents
  - The Ministry of Health and Wellness (MoHW) announced that critical technical vaccine profiling documentation that it had been awaiting was provided by the vaccine manufacturer on 20 Sep 21.
- Resumption of Phase Two Vaccine Rollout
  - The MoHW announced the resumption of the phase 2 vaccination rollout, which targets people aged 45 years and older, effective 23 Sep 21.
- Arrival of J&J Vaccines
  - The MoHW further announced that it had received a donation of 50,400 J&J vaccines from South Africa on 24 Sep 21.
  - The donation was made through the African Vaccine Acquisition Trust Facility.

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## 2022 Budget Strategy Paper

- The Ministry of Finance and Economic Development released the 2022 Budget Strategy Paper. Highlights of the paper are as follows:
  - Economic Growth
    - The economy is expected to grow by 9.7% in 2021, 4.3% in 2022 and 4.2% in 2023. Growth will be driven by Mining which is expected to grow by 33.9% in 2021, 3.5% in 2022 and 2.0% in 2023.
  - Budget Outturn FY2020/21
    - Revenue and grants of P51.25bn, P2.9bn higher than previously estimated. This was due to higher-than-expected mineral revenue.
    - Total expenditure and lending amounted to P65.80bn, P3.5bn lower than previously estimated due to lower development spending as construction projects were negatively impacted by lockdowns instituted in 2020.
    - Deficit of P6.03bn estimated.
  - Revised Budget FY2021/22
    - Revenue and grants of P63.76bn, P11.8bn higher than initially budgeted, driven by recovery in mineral revenue as a result of increased rough diamond sales.
    - Total expenditure and net lending P70.98bn, P5.2bn higher than what was initially budgeted, driven by an increase in development expenditure by P2.5bn to P12.67bn.
    - Deficit of P7.22bn expected.
  - Forecast Budget FY2022/23
    - Revenue and grants of P63.06bn, P3.1bn less than initially expected, due to longer than expected impact of Covid-19.
    - Total expenditure and net lending P71.55bn, P480mn higher than initially expected, due to slightly higher personal emoluments which was a result of substantial increase in Government wages in FY2019/20 and FY2020/21 and “creep” from annual increments related to salary scales.
      - 63% of Government spending directed to ERTF and Reset Agenda strategic objectives. 37% directed towards general spending.
    - Deficit of P8.50bn expected which is higher than the FY2021/22 expected deficit of P7.22bn due to expected sharp drop SACU caused by an overpayment in FY2020/21.
  - Financing Plan
    - Deficit financing required for FY2021/22 and FY2022/23 is P16.97bn which is P6.2bn higher initially expected.
    - Net borrowings expected of P7.67bn in FY2021/22 and P11.48bn for FY2022/23.
      - Domestic borrowing of P4.5bn in FY2021/22 and P5.0bn in FY2022/23.
      - Net external borrowing of P3.17bn in FY2021/22 and P6.48bn in FY2022/23.



## SECHABA HY21 RESULTS – EASE OF TRADE RESTRICTIONS IMPROVES PROFITABILITY

Income Statement P'Mn	HY 21	HY 20	% Δ
Share of profit/(loss) from associate	83	40	107%
Administrative expenses	(2)	(2)	35%
Other Income	0	0	100%
<b>Operating profit</b>	<b>81</b>	<b>39</b>	<b>109%</b>
Finance income	0	0	(75%)
<b>Profit before taxation</b>	<b>81</b>	<b>39</b>	<b>108%</b>
Tax	(6)	(4)	75%
<b>Profit After Tax (PAT)</b>	<b>75</b>	<b>35</b>	<b>112%</b>
Kgalagadi Breweries Limited (KBL)	HY 21	HY 20	% Δ
Volumes (HL'000)	545	426	28%
<b>PBT (Pmn)</b>	<b>151</b>	<b>56</b>	<b>171%</b>
Tax	(32)	(7)	360%
<b>PAT</b>	<b>119</b>	<b>49</b>	<b>144%</b>
Coca Cola Beverages Botswana (CCBB)	HY 21	HY 20	% Δ
Volumes (HL'000)	470	359	31%
<b>PBT (Pmn)</b>	<b>57</b>	<b>39</b>	<b>46%</b>
Tax	(10)	(7)	36%
<b>PAT</b>	<b>47</b>	<b>32</b>	<b>49%</b>
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	9	30	(70) %
Investment in associate	808	734	10%
Equity	771	723	7%

- KBL and CCBB volumes +28% and 31% respectively due to ease of trade restrictions.
- PAT for KBL and CCBB showed 1.4x and 49% growth respectively due to improved sales volumes.
- Sechaba expects to achieve growth in future despite challenges related to Covid-19.
- Interim dividend of 16t/share declared, payable on 20 Oct 21.
- P16.60 (YTD: -19.61%)  
PE: 9.4  
PB: 2.4  
D/Y: 2.47%  
Mkt Cap: P1,836.2mn

## FAR FY21 RESULTS – IMPROVED REVENUE AND FOREX GAINS DRIVE UP PROFITS

Income Statement P'Mn	FY 21	FY 20	% Δ
Rental revenue	138	134	3%
Other income	21	30	(30%)
Operating expenses	(35)	(37)	(6%)
<b>Profit before FV adjustment</b>	<b>124</b>	<b>127</b>	<b>(2%)</b>
Investment property impairment adjustment	-	(10)	(100%)
Investment property fair value adjustment	(14)	16	(187%)
<b>Profit from operations</b>	<b>110</b>	<b>133</b>	<b>(17%)</b>
Forex gains/(losses)	13	(5)	(351%)
Net finance costs	(27)	(42)	(36%)
<b>Profit before tax (PBT)</b>	<b>96</b>	<b>86</b>	<b>11%</b>
Tax	2	11	(81%)
<b>Profit after tax (PAT)</b>	<b>98</b>	<b>97</b>	<b>1%</b>
Balance Sheet extract P'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	34	26	29%
Investment properties	1,353	1,363	(1%)
Borrowings	326	420	(22%)
Deferred taxation	62	61	0%
Equity	965	899	7%

- Profit from operations -17% due to the decline in other income (-30%) and investment property fair value adjustment (-187%).
- PBT +11% on account of forex gains increasing by 3.5x and a 36% decline in finance costs due to a 22% debt reduction.
- PAT +1% due to improved revenue growth.
- Two commercial properties are close to completion and are expected to add to FAR's revenue in FY22.
- Final Distribution of 17.80t declared comprising of an interim dividend of 0.16t/linked unit and interest of 17.64t/linked unit declared, payable 1 Nov 21.
- P2.45 (YTD: -0.81%)  
PE: 11.2  
PB: 1.1  
D/Y: 7.27%  
Mkt Cap: P1,096.9mn

## CHOPPIES FY21 RESULTS – RETURN TO PROFITABILITY

Income Statement P'Mn	FY 21	FY 20	% Δ
Revenue	5,331	5,421	(2%)
Cost of sales	(4,142)	(4,168)	(1%)
<b>Gross Profit</b>	<b>1,189</b>	<b>1,253</b>	<b>(5%)</b>
Other operating income	45	53	(14%)
<b>Operating Income</b>	<b>1,234</b>	<b>1,305</b>	<b>(5%)</b>
Loss on disposal of plant & equipment	(0)	(1)	(69%)
Net impairment losses	-	10	(100%)
Movement in credit loss allowances	17	(1)	(1,301%)
Administrative expenses	(856)	(902)	(5%)
Selling and distribution expenses	(35)	(63)	(44%)
Other operating expenses	(134)	(120)	11%
<b>EBIT</b>	<b>226</b>	<b>228</b>	<b>(1%)</b>
Finance income	0	0	(6%)
Finance costs	(110)	(103)	7%
<b>PBT</b>	<b>116</b>	<b>125</b>	<b>(7%)</b>
Tax	(34)	(6)	465%
<b>Profit from continuing operations</b>	<b>82</b>	<b>119</b>	<b>(31%)</b>
Loss from discontinued operations	(22)	(470)	(95%)
<b>Profit for the period</b>	<b>60</b>	<b>(351)</b>	<b>117%</b>

Balance Sheet extract P'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	74	61	22%
Inventory	341	305	12%
PPE	1,088	1,219	(11%)
Intangibles	64	66	(2%)
Payables	568	571	(0%)
Borrowings	770	697	11%
Equity	448	467	(4%)

- Revenue -2% due to negative volume growth in Botswana where consumer spend, and economy activity were impacted by the Covid-19 pandemic.
- Administrative expenses -5% due to focus on cost rationalisation in light of the pandemic.
- Finance Costs +7% due to an 11% increase in borrowings.
- Profit from continuing operations -31% due to the increase in the effective tax rate attributed to last year's losses related to the divestiture of the South African operations sold in 2020.
- Profit realised for FY21 due to decline in loss from discontinued operations.
- No dividend declared.
- P0.60 (YTD: 0.00%)  
PE: 13.1  
PB: N/A  
D/Y: 0.00%  
Mkt Cap: P782.2mn

## TLOU FY21 RESULTS – ABSENCE OF IMPAIRMENTS REDUCE LOSSES

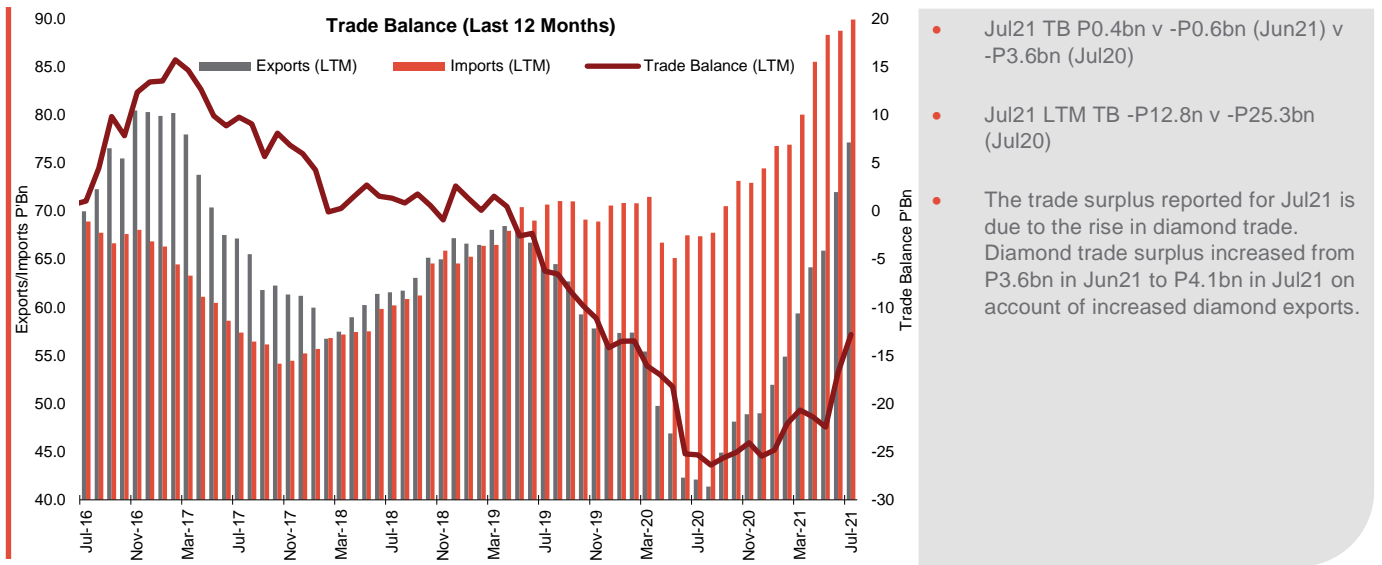
Income Statement A\$'Mn	FY 21	FY 20	% Δ
Other income	50	68	(26%)
Employee benefits expense	(603)	(1,021)	(41%)
Depreciation expense	(597)	(581)	3%
Impairment	-	(10,648)	(100%)
Forex gain / loss	122	37	231%
Share based payment expense	-	(50)	(100%)
Professional fees	(202)	(172)	18%
Occupancy costs	(12)	(50)	(76%)
Other expenses	(812)	(904)	(10%)
<b>Loss before income tax</b>	<b>(2,054)</b>	<b>(13,320)</b>	<b>(85%)</b>
Income tax	-	369	(100%)
<b>Loss for the period</b>	<b>(2,054)</b>	<b>(12,951)</b>	<b>(84%)</b>

Balance Sheet extract A\$'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	6,385	1,576	305%
Exploration assets	48,855	48,164	1%
PPE	844	1,274	(34%)
Equity	56,348	51,506	9%

- Since Tlou is currently in the development/exploration stage, no substantial income was reported during the period.
- Impairment's -100% owing to the absence of impairments linked to costs made on its PL003, PL035 and PL037 prospecting licenses in the prior period.
- Loss for the period -84% due to a -100% decline in impairments, -41% employee benefits expenses, and an increase in forex gains by 2.3x.
- P0.50 (YTD: +51.52%)  
PE: N/A  
PB: 0.7  
D/Y: 0.00%  
Mkt Cap: P300.1mn

## JUL21 TRADE BALANCE (TB) – INCREASE IN DIAMOND TRADE LEADS TO TRADE SURPLUS



## Regional

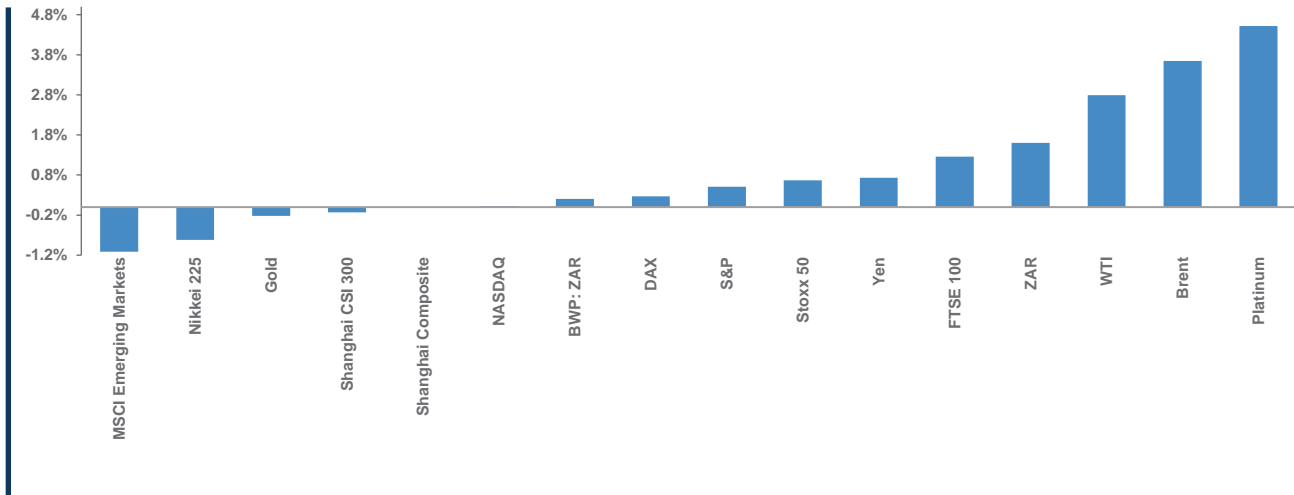
### SOUTH AFRICA

- Aug21 CPI y/y 4.9% v 4.9% (e) v 4.6% (Jul21)
- The SARB Monetary Policy Committee (MPC) members unanimously voted to keep the repo rate unchanged at 3.50%.

#### ZAR PERFORMANCE

- The ZAR weakened against the dollar during week following the SARB's decision to keep rates unchanged coupled with continued investor bearishness emanating from the China Evergrande debt crisis.
- 14.95 (WTD: +1.60%) v 14.72 (17 Sep 21)

## INTERNATIONAL SNAPSHOT – 24 SEP 21 WEEKLY PERFORMANCE



- Sep21 Preliminary Manufacturing PMI 51.2 v 52.7 (Aug21)
- Aug21 National CPI y/y -0.4% v -0.3% (e) -0.3% (Jul21)
- The Bank of Japan Monetary Policy Committee met during the week and decided the following:
  - Maintained its short-term interest rate at -0.10%.
  - Maintained the 10-Year JGB target yield at 0.00%.
  - Maintained the purchase of ETFs and J-REITs at ¥12trn and ¥180bn annually.
  - Maintained the purchase of commercial paper and corporate bonds to ¥20trn in total until Mar21.
- Japanese equities closed the week in the red on investor concerns that a potential default by large Chinese property developer Evergrande Group may cause the global economy to slow down.
- Nikkei 225: 30,249 (WTD: -0.82%), Yen: 110.73 (WTD: +0.73%)



- Eurozone Sep21 Preliminary Manufacturing PMI 58.7 v 60.3 (e) v 61.4 (Aug21)
- France Sep21 Preliminary Manufacturing PMI 55.2 v 57.0 (e) v 57.5 (Aug21)
- Germany Sep21 Preliminary Manufacturing PMI 58.5 v 61.4 (e) v 62.6 (Aug21)
- The Bank of England Monetary Policy Committee met during the week decided to:
  - Maintain the Bank Rate at 0.1%.
  - Maintain the purchase of non-financial investment grade corporate bonds at £20bn.
  - Continue its existing program of UK Government bond purchases with a target of £875bn.
- European equities closed the week higher driven by investor optimism on account of global central bank decisions to maintain their accommodative monetary policy stance.
- DAX: 15,532 (WTD: +0.27%), Stoxx50: 4,159 (WTD: +0.67%), FTSE100: 7,051 (WTD: +1.26%)



- Chinese equities declined for the week on the back of bearish investor sentiment given the possible default by property developer Evergrande on an international bond repayment.
- SHSZ300: 4,849 (WTD: -0.13%), SHCOMP: 3,613 (WTD: -0.02%)



- 18 Sep 21 Initial Jobless Claims 351k v 320k (e) v 335k (11 Sep 21)
- Sep21 Preliminary Manufacturing PMI 60.5 v 61.0 (e) v 61.1 (Aug21)
- The Federal Reserve Open Market Committee met during the week and decided to:
  - Maintain the target Federal funds rate at 0.00%-0.25%.
  - Maintain its purchase of treasuries and agency mortgage-backed securities at \$80bn/month and \$40bn/month, respectively.
- US equities ended the week in the green on account of positive investor sentiment following the Fed's decision to maintain its current accommodative monetary policy.
- NASDAQ: 15,048 (WTD: +0.02%), S&P: 4,455 (WTD: +0.51%)

## COMMODITIES

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- $\Delta$ US Crude Inventories -3,481k bbl. (17 Sep 21) v -3,017k bbl. (e) v -6,422k bbl. (10 Sep 21)
- $\Delta$ US Oil Rigs +9; 521 (24 Sep 21) v 512 (17 Sep 21)
- $\Delta$ North American Oil Rigs +17; 683 (24 Sep 21) v 666 (17 Sep 21)
- Oil prices closed the week higher on account of growing fuel demand and a drawdown in US crude inventories as supply remained constrained in the Gulf of Mexico after two hurricanes.
  - WTI: \$73.98 (WTD: +2.79%)
  - Brent Crude: \$78.09 (WTD: +3.65%)



- Gold closed the week lower driven by a rise in US treasury yields and a stronger USD. Platinum rose for the week on account of improved demand following the ease of global lockdown and travel restrictions.
    - Gold: \$1,750 (WTD: -0.22%)
    - Platinum: \$985 (WTD: +4.52%)
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