

Local

COMPANY ANNOUNCEMENTS



First Notice of Scrip Dividend Election

- FAR announced that it will offer unitholders, registered in its records as at 28 Oct 21, the option to receive scrip in lieu of the cash distribution of 17.80t/linked unit in respect to FAR's trading to 30 Jun 21.
- Scrip will be offered at P2.40/linked unit which represents 0.068 new linked units, for every single linked unit currently held by a unitholder.
- Holders of 51.05% of the issued linked units have committed to receive the scrip distribution.
- The scrip offer opens on 11 Oct 21 and closes on 5 Nov 21 with the listing of additional scrip distribution units on 22 Nov 21.
- P2.45 (YTD: -0.81%) PE:11.2 PB: 1.1 D/Y: 7.27% Mkt Cap: P1,096.9mn



Director's Dealings in Shares and Results of Annual General Meeting (AGM)

- Director's Dealings in Shares
 - BTC announced that its director, M Letshwiti, bought 143,000 BTC shares at 68t/share.
- Results of AGM
 - BTC announced the results of its 2021 AGM, where all resolutions were passed by 98% or more votes in favour, except:
 - Ordinary Resolution 3.1: The appointment of B Molefe as a director. 15.8% voted in favour and 84.2% against.
- P0.68 (YTD: -17.07%) PE: 5.3 PB: 0.3 D/Y: 12.41% Mkt Cap: P714.0mn



Notice to Shareholders

- Absa announced that the interim dividend declared on 30 Aug 21 of 9.74t/share will be payable on 20 Oct 21 to shareholders registered on 13 Oct 21, with an ex-dividend date of 11 October 2021.
- P4.55 (YTD: -15.43%) PE: 9.3 PB: 1.6 D/Y: 7.96% Mkt Cap: P3,877.3mn



Notice of Annual General Meeting (AGM)

- Sefalana will virtually hold its 2021 AGM at 4.00pm on 29 Oct 21. Shareholders will vote on:
 - Approving 30 Apr 21 financial statements and the directors' and auditor's report thereon.
 - Approving the interim and final dividend of 10t/share and 30t/share respectively.
 - Approving the appointment of J Marinelli as an Independent Non-Executive Director.
 - Approving the re-election of K Mere as a director.
 - Approving directors' remuneration for the 30 Apr 21 year end.
 - Approving auditor's remuneration for the 30 Apr 21 year end, and to confirm the appointment of Deloitte & Touche as auditors for the ensuing year.
- P9.45 (YTD: +1.18%) PE: 10.9 PB: 1.2 D/Y: 4.23% Mkt Cap: P2,369.4mn

Revised Timetable for Redomiciliation



- Shumba released the revised timetable for its redomiciliation where dates were pushed back by one month. Salient revisions are as follows:
 - A circular regarding the redomiciliation will now be released on 13 Oct 21.
 - The extraordinary general meeting regarding its redomiciliation will now be held on 4 Nov 21.
 - The commencement of the listing process on the Botswana Stock Exchange main board will now begin on 19 Dec 21.
- P0.90 (YTD: -5.26%) PE: N/A PB: 2.3 D/Y: 0.00% Mkt Cap: P264.5mn



Expansion of Vaccination Program, Arrival of AstraZeneca Vaccines

- Expansion of Vaccination Program
 - The Ministry of Health and Wellness (MoHW) announced that it has expanded its Phase 2 vaccination program to include people aged 30 years and upwards from 28 Sep 21.
- Arrival of AstraZeneca Vaccines
 - The Ministry of Health and Wellness announced that it has received 300,000 AstraZeneca vaccine doses. This is the last batch of vaccines that were donated by the Federal Republic of Germany on 1 Oct 21.

GOVERNMENT SEP21 BOND AUCTION RESULTS – YIELDS STABILISE

Bond	Description	Total Amount Offered (PMn)	Total Amount Allocated (PMn)	Allocation Ratio	Stop out Yield	Previous Auction Stop Out Yield	Δ Stop Out Yield
BOTSTB050122	3 Month T-bill	500	250	50%	1.375%	1.388%	-1.3bps
BOTSTB060422	6 Month T-bill	500	100	20%	1.495%	1.505%	-1bps
BOTSGB0527	6-Year Bond	200	107	54%	6.650%	6.600%	5bps
BOTSGB0931	10-Year Bond	200	337	169%	8.350%	8.300%	5bps
BOTSGB0640	19-Year Bond	100	56	56%	8.350%	6.700%	335bps
Total		1,500	850	57%			

- 57% (P850mn) of the total P1.5bn auction was allotted.
- 3-Month T-Bill was 20% allotted whilst the 10-Year bond was 1.7x allotted.
- There were minimal changes in stop out yields apart from the 19-Year bond which registered a 335bps increase.

SHUMBA FY21 RESULTS – NON-RECURRENCE OF BARGAIN PURCHASE GAINS LEADS TO LOSSES

Income Statement \$000s	FY 21	FY 20	% Δ
Revenues	740	619	20%
Cost of sales	(583)	(500)	17%
Gross Profit	157	119	32%
Other Income	-	558	(100%)
Operating expenses	(366)	(2,495)	(85%)
Gain on bargain purchase	-	4,978	(100%)
Operating earnings	(209)	3,160	(107%)
Finance income	-	2	(100%)
Finance Cost	(481)	(455)	6%
Profit / (loss) before tax	(690)	2,707	(125%)
Taxation	-	(1)	0%
Profit / (loss) for the period	(690)	2,706	(125%)
Balance Sheet extract \$000s	FY 21	FY 20	% Δ
Cash and cash equivalents	15	109	(86%)
Exploration assets	15,123	15,123	-
Borrowings	4,110	3,660	12%
Equity	10,024	11,098	(10%)

- Shumba published unaudited FY21 results in the interim as it is in the process of restructuring. Audited results will be published once significant issues regarding the future of the company are concluded at its Extraordinary General Meeting.
- Operating earnings -107% due to non-recurrence of \$5mn gain on bargain purchase recorded in FY20.
- Finance cost +6% due to +12% increase in borrowings.
- Loss reported for FY21 due to non-recurrence of bargain purchase gain.
- No dividends declared.
- P0.90 (YTD: -5.26%)
PE: N/A
PB: 2.3
D/Y: 0.00%
Mkt Cap: P264.5mn

G4S HY21 RESULTS – DECLINE IN REVENUE AND OTHER INCOME PULLS PROFITS LOWER

Income Statement P'Mn	HY 21	HY 20	% Δ
Revenue	95	100	(5%)
Cost of sales (COS)	(71)	(70)	2%
Gross Profit	24	30	(20%)
Other income	0	9	(99%)
Administrative expenses	(14)	(18)	(22%)
Profit from operations	11	22	(52%)
Finance expense	(1)	(1)	(22%)
Finance income	1	2	(9%)
Profit before taxation	11	23	(50%)
Tax	(2)	(4)	(53%)
Profit for the period (PAT)	10	19	(49%)

Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and Cash Equivalents	37	27	40%
Amount due from related parties	30	53	(43%)
Trade and other receivables	57	39	45%
PPE	7	10	(36%)
Trade and other payables	24	27	(10%)
Equity	108	123	(12%)

- Revenue -5% due to losses in the alarms business as well as a sustained drought of large non-portfolio pure technology sales.
- Gross profit -20% due to increased cost of operations, specifically in fuel and fleet maintenance costs.
- Other Income -99% due to the absence of the once off government wage subsidy.
- PAT -49% due to the absence of the government wage subsidy and lower revenues.
- Interim dividend of 19.63t/share declared.
- P3.00 (YTD: -11.76%)
PE: 194.7
PB: 2.2
D/Y: 6.54%
Mkt Cap: P240.0mn

ENGEN HY21 RESULTS – RISE IN GLOBAL OIL PRICES DRIVES UP PROFITS

Income Statement P'Mn	HY 21	HY 20	% Δ
Revenue	1,223	1,143	7%
Cost of sales (COS)	(997)	(1,071)	(7%)
Gross Profit	226	72	215%
Other operating income	0	0	(89%)
FX Gains	3	6	(54%)
Administrative Expenses	(8)	(7)	15%
Distribution and marketing expenses	(45)	(42)	5%
Other operating expenses	(2)	(1)	18%
Share of profit of JVs	1	1	(0%)
Finance Income	4	5	(21%)
Finance costs	(6)	(5)	18%
Profit before taxation	175	30	489%
Tax	(42)	(14)	209%
Profit after tax	132	16	729%

Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	303	103	193%
PPE	302	314	(4%)
Trade and other receivables	303	103	193%
Trade and other payables	274	370	(26%)
Equity	635	526	21%

- Revenue +7% due to the ease of Covid-19 restrictions, increase in global crude oil prices and streaming of new service stations.
- COS -7% driven by inventory revaluation gains caused by the steady rise in global crude oil prices.
- Profit after tax increased 7.3x due to a rise in revenue and inventory gains.
- Interim dividend of 18t/share and special dividend of 40.7t/share declared, Payable 15 Oct 21.
- P10.30 (YTD: +0.19%)
PE: 7.7
PB: 2.6
D/Y: 10.88%
Mkt Cap: P1,645.1mn

BBS HY21 RESULTS – REVERSAL OF CREDIT LOSSES PUSHES BBS TO PROFITABILITY

Income Statement P'Mn	HY 21	FY 20	% Δ
Interest income	126	292	(57%)
Interest expense	(80)	(184)	(57%)
Net-interest income	46	108	(57%)
Fee and commission income	9	19	(53%)
Fee and commission expense	(1)	(1)	(50%)
Other operating income	3	6	(50%)
Operating Profit	58	132	(56%)
Staff expenses	(36)	(71)	(50%)
Depreciation & Amort	(9)	(19)	(52%)
Other expenses	(27)	(64)	(57%)
Credit Loss	29	7	316%
Profit before taxation	15	(15)	(199%)
Tax	-	-	0%
Profit for the period	15	(15)	199%
Balance Sheet extract P'Mn	HY 21	FY 20	% Δ
Cash and cash equivalents	42	73	(42%)
Advances to customers	52	53	(3%)
Customer savings and deposits	1,933	2,061	(6%)
Borrowings	805	915	(12%)
Equity	534	519	3%

- BBS unable to release HY20 comparative figures as they were not compiled in the previous year due to delays in finalising FY19 and FY20 financial results.
- Credit loss reversals 3.2x v FY20 due to enhanced collection strategies.
- Profit recorded for HY21 versus a loss in FY20 due to jump in credit loss reversals.
- Cash and cash equivalents -42% due the repayment of the International Finance Corporation debt facility.
- Customer deposits -6% due to a low interest rate environment, retrenchments by some companies and increased cash withdrawals.
- BBS resubmitted its banking license application in Aug21
- No dividend declared.
- P1.00 (YTD: -8.26%)
PE: N/A
PB: 0.9
D/Y: 0.00%
Mkt Cap: P487.5mn

CRESTA HY21 RESULTS – LOSSES CONTINUE

Income Statement P'Mn	HY 21	HY 20	% Δ
Revenue	96	93	4%
Cost of sales (COS)	(78)	(80)	(4%)
Gross Profit	19	13	49%
Sales and distribution expenses	(3)	(4)	(20%)
Administration expenses	(38)	(40)	(6%)
Operating profit / (loss)	(22)	(31)	(30%)
Net finance expense	(12)	(11)	7%
Loss before taxation	(34)	(43)	(20%)
Tax	-	9	(100%)
Loss for the period	(34)	(34)	1%
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	28	61	(55%)
PPE	366	398	(8%)
Borrowings	250	263	(5%)
Equity	130	192	(32%)

- Revenue +4% due to the easing of Covid-19 restrictions on travel and conferencing.
- Loss before tax (LBT) -20% due to the implementation of cost saving measures.
- Loss for the period +1% despite fall in LBT due to non-recurrence of tax credit in HY21.
- No dividend declared.
- P1.25 (YTD: -3.85%)
PE: N/A
PB: 1.8
D/Y: 0.00%
Mkt Cap: P230.8mn

STANCHART HY21 RESULTS – DECLINE IN NET INTEREST INCOME REDUCES PROFITABILITY

Income Statement P'Mn	HY 21	HY 20	% Δ
Interest Income	361	388	(7%)
Interest expense	(145)	(137)	5%
Net Interest Income	216	251	(14%)
Other income	39	50	(21%)
Fee & Commission income	118	100	19%
Commission expenses	(12)	(16)	(27%)
Operating Income	362	384	(6%)
Staff Expenses	(120)	(113)	6%
Other Expenses	(190)	(195)	(3%)
Impairment loss	23	33	(32%)
Profit before taxation	75	109	(31%)
Tax	(17)	(19)	(14%)
Profit for the period (PAT)	59	90	(35%)

Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	347	312	11%
Loans to customers	8,698	8,363	4%
Deposits from customers	12,303	11,604	6%
Equity	1,062	1,128	(6%)
Cash and cash equivalents	347	312	11%

- Revenue -7% despite 4% growth in loan book due to the low interest rate environment.
- Fees and commission income +19% on the back of improved sales due to improved economic activity.
- Impairment loss -32% due to reduced credit risk as the economy reopens.
- PAT -35% due to decline in net interest income, and lower impairment gains.
- Loans and advances to customers +4% on the back of +9% growth in the retail book.
- No dividend declared.
- P1.91 (YTD: +31.72%)
PE: 31.0
PB: 0.5
D/Y: 8.38%
Mkt Cap: P569.8mn

LLR FY21 RESULTS – EARNINGS DECLINE DUE TO FALL IN REVALUATION GAINS

Income Statement P'Mn	FY 21	FY 20	% Δ
Rental revenue	100	79	27%
Recoveries	3	3	(0%)
Other income	1	4	(82%)
Movement in credit loss allowance	(3)	(3)	(9%)
Impairment loss on investment property	-	(4)	(100%)
Property expenses	(11)	(7)	49%
Admin expenses	(25)	(23)	9%
Operating profit	65	48	35%
Net finance costs	(13)	(9)	46%
Other non-operating gains	0	-	100%
Share of profit from equity investments	3	6	(48%)
Profit / loss from discontinued operations	-	2	(86%)
Profit before FV adjustment	56	47	19%
FV Adjustment	8	33	(77%)
Profit before taxation	64	80	(21%)
Tax	(9)	(18)	(50%)
Profit for the period	55	63	(13%)

Balance Sheet extract P'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	77	123	(37%)
Investment properties	959	892	7%
Investment in associate	42	43	(2%)
Borrowings	229	231	(1%)
Equity	788	771	2%

- Revenue +27% driven by the acquisition of 6 industrial properties, lease escalations, low vacancies and improved rental collection.
- Net finance costs +46% due to lower finance income.
- Profit for the period -13% due to increased net finance costs and lower FV adjustment.
- Cash and cash equivalents -37% due to repayments of borrowings and acquisitions.
- No distribution declared.
- P2.40 (YTD: +4.80%)
PE: 12.3
PB: 0.9
D/Y: 7.24%
Mkt Cap: P672.0mn

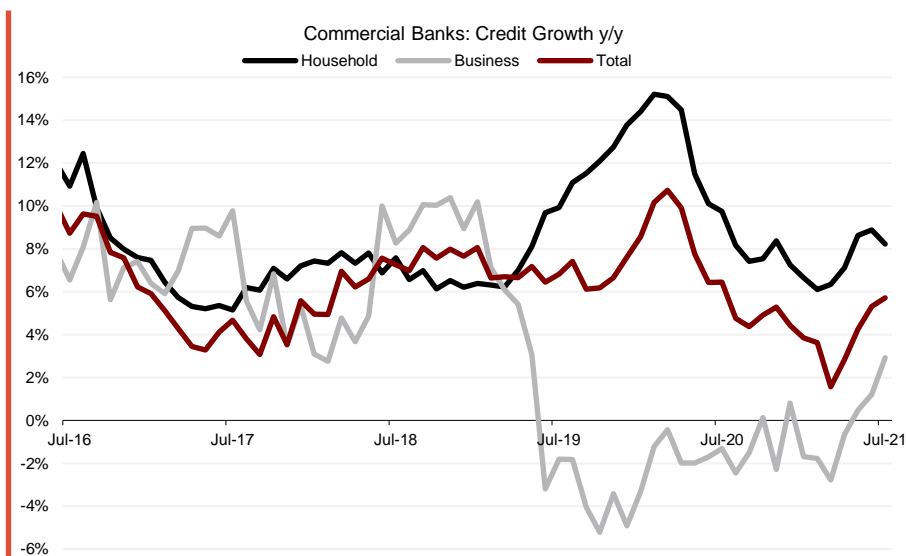
MINERGY FY21 RESULTS – INCREASED COST OF SALES AND FINANCE COSTS DRIVE LOSSES

Income Statement P'Mn	FY 21	FY 20	% Δ
Revenue	193	81	139%
Cost of sales (COS)	(256)	(150)	70%
Gross loss	(63)	(69)	(10%)
Other income	0	0	160%
Operating expenses	(23)	(31)	(26%)
Operating earnings	(85)	(100)	(15%)
Finance income/(expense)	(50)	(17)	191%
Earnings Before Tax	(136)	(118)	16%
Tax	29	26	13%
Net loss for the period	(107)	(92)	16%

Balance Sheet extract P'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	12	2	597%
PPE	378	341	11%
Inventories	25	48	-48%
Rehabilitation provision	72	70	3%
Borrowings	345	252	37%
Equity	7	43	-84%

- Revenue increased 1.4x as on the back of increased sales volumes, rise in international coal prices, ease of Covid-19 restrictions and the strengthening of South African Rand.
- COS +70% on account of increased transportation costs, road maintenance costs and appointment of additional staff.
- Opex -26% due to termination of consultation services, absence of once off international exchange listing and mining development costs as well as salary cuts taken by management.
- Net finance cost 1.9x due to additional debt taken to fund operations and further development of the mine.
- Loss for the period +16% due to increased COS and increased finance costs.
- No dividend declared.
- P0.80 (YTD: 0.00%)
PE: N/A
PB: N/A
D/Y: 0.00%
Mkt Cap: P376.0mn

JUL21 CREDIT GROWTH (CG) – GROWTH CONTINUES TO ACCELERATE



- Jul21 CG y/y 5.7% v 5.3% (Jun21) v 6.4% (Jul20).
- Jul21 Household CG y/y 8.2% v 8.9% (Jun21) v 9.8% (Jul20)
 - Driven by acceleration in property and other loans (includes personal loans).
- Jul21 Business CG y/y 2.9% v 1.2% (Jun21) v -1.3% (Jul20)
 - Driven by Finance, Business Services and Manufacturing credit growth.

Regional

SOUTH AFRICA

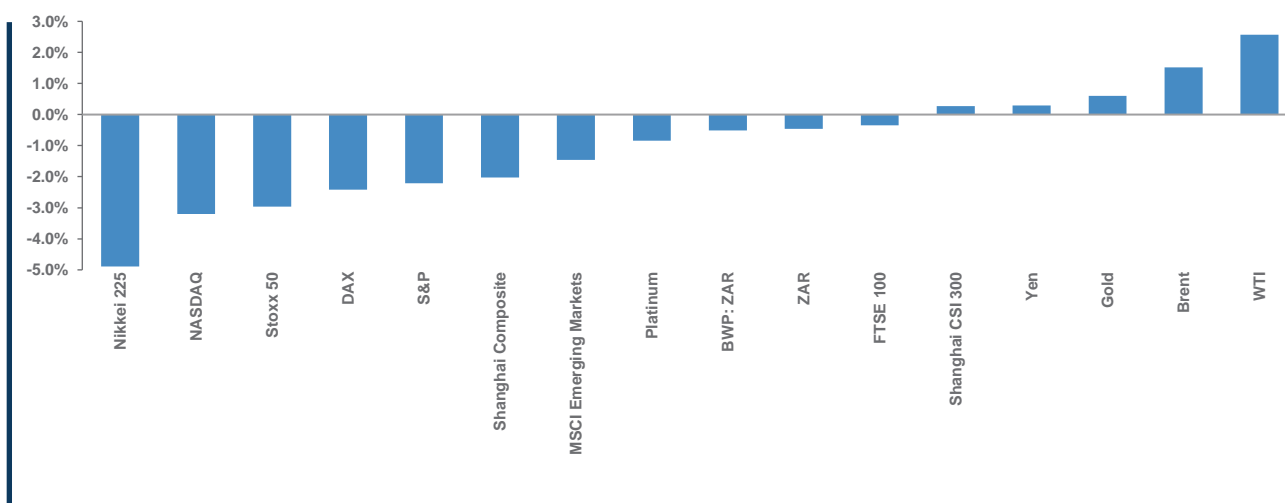
- Aug21 Trade Balance R42.4bn v R35.0bn (e) v R37.0bn (Jul21)
- Sep21 Manufacturing PMI 56.8 v 55.3 (e) 57.9 (Aug21)
- President Cyril Ramaphosa announced the easing of lockdown restrictions in South Africa to Level 1 effective 1 Oct 21.

ZAR PERFORMANCE

- The ZAR strengthened against the dollar following the easing of lockdown restrictions in South Africa.
- 14.88 (WTD: -0.46%) v 14.95 (24 Sep 21)

International

INTERNATIONAL SNAPSHOT – 1 OCT 21 WEEKLY PERFORMANCE



- Aug21 Preliminary Industrial Production m/m -3.2% v -0.5% (e) v -1.5% (Jul21)
- Sep21 Final Manufacturing PMI 51.5 v 52.7 (Aug21)
- Aug21 Jobless Rate 2.8% v 2.9% (e) v 2.8% (Jul21)
- Japanese equities closed the week in the red on investor concerns over the continued disagreements in US Congress over raising the US debt ceiling and fears of prolonged elevated inflation on the back of global supply chain disruptions.
- Nikkei 225: 28,771 (WTD: -4.89%), Yen: 111.05 (WTD: +0.29%)



- Eurozone Sep21 CPI Estimate y/y 3.4% v 3.3% (e) v 3.0% (Aug21)
- France Sep21 Final Manufacturing PMI 55.0 v 55.2 (e) v 57.5 (Aug21)
- Germany Sep21 Final Manufacturing PMI 58.4 v 58.5 (e) v 62.6 (Aug21)
- European equities closed the week lower driven by fears of persistent high global inflation, slowing growth and rising interest rates.
- DAX: 15,156 (WTD: -2.42%), Stoxx50: 4,035 (WTD: -2.96%), FTSE100: 7,027 (WTD: -0.35%)



- Sep21 Official Manufacturing PMI 49.6 v 50.0 (e) v 50.1 (Aug21)
- Sep21 Caixin Manufacturing PMI 50.0 v 49.5 (e) v 49.2 (Aug21)
- Chinese equities closed mixed for the week as investors balanced the continued regulatory tightening by the Chinese Government on one hand and hope of policy easing following the release of sluggish PMI data.
- SHSZ300: 4,866 (WTD: +0.27%), SHCOMP: 3,568 (WTD: -2.03%)



- 25 Sep 21 Initial Jobless Claims 362k v 330k (e) v 351k (18 Sep 21).
 - Sep21 ISM Manufacturing PMI 61.1 v 59.5 (e) v 59.9 (Aug21)
 - 2Q21 Third Estimate GDP Annualised q/q 6.7% v 6.6% (e) v 6.3% (1Q21)
 - Sep21 Final UoM Sentiment 72.8 v 71.0 (e) v 70.3 (Aug21).
 - US equities plummeted for the week as investors wrestled with the end of quantitative easing by the US Fed, continued disagreements in US Congress over raising the US debt ceiling and fears of prolonged elevated inflation on the back of global supply chain disruptions.
 - NASDAQ: 14,567 (WTD: -3.20%), S&P: 4,357 (WTD: -2.21%)
-

COMMODITIES



- Δ US Crude Inventories 4,578k bbl. (24 Sep 21) v -2,484k bbl. (e) v -3,481k bbl. (17 Sep 21)
 - Δ US Oil Rigs +7; 528 (1 Oct 21) v 521 (24 Sep 21)
 - Δ North American Oil Rigs +10; 693 (1 Oct 21) v 683 (24 Sep 21)
 - Oil prices closed the week higher on account of growing fuel demand as global economies reopen.
 - WTI: \$75.88 (WTD: +2.57%)
 - Brent Crude: \$79.28 (WTD: +1.52%)
-



- Gold closed the week higher driven by a weaker USD. Platinum declined for the week on account of slowed car production due to the rise in Delta variant cases.
 - Gold: \$1,761 (WTD: +0.60%)
 - Platinum: \$977 (WTD: -0.84%)
-



KGORI CAPITAL

INVEST WITH PRIDE

General Disclaimer

All information, recommendations or opinions contained in this document are not intended to provide exhaustive treatment of any subject dealt with and must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein. Such user should consult its own investment or financial or other advisors before making any decision. Whilst all care is taken by Kgori Capital in the preparation of the contents hereof, no warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Kgori Capital in any form or manner whatsoever. The information in this document is not intended to and does not constitute financial, tax, legal, investment, consulting or other professional advice, and Kgori Capital does not purport to act in any way as a financial advisor. Kgori Capital shall not be responsible and disclaims all liability for any loss, liability, damage (whether direct or consequential) of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of any information, opinion, recommendation, or service contained in or provided through this document. All portfolio performance data is calculated by Kgori Capital. Performance is analysed and computed utilising true daily weighted methodology. Where this document contains statements or information which relate to projections, forecasts or hypothetical data, users should be advised that these are predictions and that actual performance may differ markedly. Users should also be aware that short term performance can be volatile and past performance is not necessarily a good indication or guideline of future performance. As the performance of financial markets fluctuates and is not guaranteed, an investor may not get back the full amount invested.

1st Floor Exponential,
Plot 54351, CBD, Gaborone

PO Box 1253 ABG,
Sebele, Gaborone

T +267 3915 990
F +267 3915 980

www.kgoricapital.com

Directors: KI Melamu, AM Ndzingo, S Noor, MS Sibanda
Reg No: BW00000988897

Kgori Capital (Pty) Ltd is an authorised financial services provider.

