



Local

COMPANY ANNOUNCEMENTS

Annual General Meeting (AGM) Results



- Sefalana announced the results of its 2021 AGM, where all resolutions were passed by 82% or more votes in favour, except:
 - Ordinary Resolution 4: Remuneration of executive directors. 73% of shareholders voted in favour and 27% against.
 - Ordinary Resolution 5: Remuneration of the non-executive directors. 59% of shareholders voted in favour and 41% against.
- P9.45 (YTD: +1.18%) PE: 10.9 PB: 1.2 D/Y: 4.23% Mkt Cap: P2,369.4mn

Notice of Annual General Meeting (AGM)



- Choppies will virtually hold its 2021 AGM at 2.00pm on 29 Nov 21. Shareholders will vote on:
 - Approving 30 Jun 21 financial statements and the directors' and auditor's reports thereon.
 - Approving the re-election of F Ismail as a Non-Executive Director.
 - Approving the appointment of V Chitalu as a Director.
 - Approving the remuneration policy and implementation of the same.
 - Approving auditor's remuneration and to confirm the reappointment of Mazars as auditors for the ensuing year.
 - Passing a Special Resolution pertaining to the pre-approval of the donations for the year ending 30 Jun 22.
- P0.60 (YTD: 0.00%) PE: 13.1 PB: N/A D/Y: 0.00% Mkt Cap: P782.2mn

Notice of Annual General Meeting (AGM)



- NAP will hold its 2021 AGM at 8.00am on 28 Jan 22 at Nafprop offices, Cash Bazaar Holdings, Plot 20573/4, Block 3, Gaborone. Shareholders will vote on:
 - Approving 30 Jun 21 financial statements and the directors' and auditor's reports thereon.
 - Approving the interim and final distributions of 13.38t/unit and 13.96t/unit respectively.
 - Approving the re-election of T Mynhardt and B Lebala as Directors.
 - Approving the remuneration of Independent Directors for the year ended 31 Jul 21.
 - Approving the auditor's remuneration of PricewaterhouseCoopers for the year ended 31 Jul 21 and their reappointment of as auditors for the ensuing year.
- P3.26 (YTD: +1.56%) PE: 12.2 PB: 1.4 D/Y: 8.39% Mkt Cap: P1,970.3mn

Redemption Notice and AGM Results



- Redemption Notice
 - FNB announced that on 1 Dec 21, it will exercise its option to redeem and delist its FNBB007 and FNBB008 Unsecured Subordinated Notes.
- AGM Results
 - FNB further announced the results of its 2021 AGM, where all resolutions were passed by 94.74% or more votes in favour.
- P2.49 (YTD: +13.18%) PE: 9.2 PB: 1.6 D/Y: 22.09% Mkt Cap: P6,333.8mn

Granting of Provisional Commercial Banking Licence



- BBS announced that the Bank of Botswana (BoB) has granted it a provisional commercial banking license after determining that BBS met primary licensing conditions.
- P0.79 (YTD: -27.52%) PE: N/A PB: 0.7 D/Y: 0.00% Mkt Cap: P385.1mn

30 Sep 21 Quarterly Market Update

- Shumba released its Sep21 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
 - Tati Solar Project
 - During the quarter Shumba obtained environmental approvals from the Department of Environmental Affairs and a generation license from the Botswana Energy Regulatory Authority.
 - Post quarter end, Shumba secured funding to bring the project to financial close.
 - Other Projects
 - There was no significant progress made on other projects during the quarter i.e. Poortjie Wes Wind and Solar Projects, Fuels Production, Sechaba Project, Morupule South Resources Project and Mabesekwa Project.
 - Cash Flow
 - Shumba generated \$186k in revenues and incurred \$189k of expenses, resulting in a \$3k net outflow in cash for the quarter. At the end of the quarter Shumba had cash of \$12k.
- P0.90 (YTD: -5.26%) PE: N/A PB: 2.3 D/Y: 0.00% Mkt Cap: P264.5mn



3Q21 Business Expectations Survey (BES)

- The BoB released the 3Q21 BES. Highlights from the results are as follows:
 - Firms were optimistic about economic activity in 3Q21 compared with 2Q21 but anticipate tight access to credit across all markets.
 - Firms expect cost pressures to rise in 4Q21, reflecting second round effects of the increase in VAT by 2% in Apr21.
 - Firms expect average inflation to be within the BoB's 3%-6% medium-term objective range in 2022.
 - Covid-19 containment measures negatively affected business operations in 3Q21. The most affected firms were in Agriculture, Forestry and Fishing and the Construction and Real Estate sectors.
 - In general, firms anticipate that their businesses will recover from the impact of Covid-19 in the year to Sep22.



Greater Gaborone District Health Management Team (GGDHMT) and Greater Francistown District Health Management Team (GFDHMT) Drive-Thru Campaigns and Arrival of Johnson & Johnson (J&J) Vaccines

- GGDHMT and GFDHMT Drive-Thru Campaigns
 - GGDHMT conducted a 4-day Drive-Thru vaccination campaign as part of its Phase 3 vaccination program using the J&J vaccine from 2-5 Nov 21 at the Notwane Grounds and the University of Botswana parking lot.
 - The campaign will continue for another 4 days from 8-11 Nov 21.
 - GFDHMT announced that it will conduct a 3-day Drive-Thru vaccination campaign as part of its Phase 3 vaccination program using the J&J vaccine from 9-12 Nov 21 at the Itani Chilume Stadium.
- Arrival of J&J Vaccines
 - The Ministry of Health and Wellness announced that it had received 57 600 J&J vaccine doses that have been secured through the African Vaccine Acquisition Trust Facility on 2 Nov 21.



CHOBE HY22 RESULTS – EASE OF TRAVEL RESTRICTIONS REDUCES LOSSES

Income Statement P'Mn	HY 22	HY 21	% Δ
Revenue	49	17	183%
Other operating income	3	3	2%
Amortisation of intangible assets	(3)	(3)	8%
Depreciation	(18)	(20)	(6%)
Other operating expenses	(57)	(40)	44%
Operating Profit	(26)	(42)	(38%)
Finance income	0	0	300%
Finance costs	(2)	(2)	(1%)
Associate earnings	(1)	(0)	19%
Loss before taxation	(28)	(44)	(36%)
Tax	6	9	(33%)
Loss for the period (LAT)	(22)	(35)	(36%)
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	13	34	(62%)
PPE	223	259	(14%)
Equity	284	339	(16%)
Bank Overdraft	2	-	100%

- Revenue 1.8x due to the increase in occupancy rates.
- Operating expenses +44% in line with increased activity during the half.
- LAT -36% on account of higher revenues.
- Cash and cash equivalents -62% due to repayments of the overdraft facility taken during FY21.
- PPE -14% due to the sale of an aircraft.
- No dividends declared
- P7.00 (YTD: -25.77%)
PE: N/A
PB: 2.2
D/Y: 0.00%
Mkt Cap: P626.1mn

WUC FY21 RESULTS – IMPAIRMENTS AND COURT SETTLEMENTS LEAD TO LOSSES

Income Statement P'Mn	FY 21	FY 20	% Δ
Revenue from contracts with customers	1,811	1,825	(1%)
Other income	30	24	26%
Water treatment & distribution expenses	(1,185)	(1,210)	(2%)
Administration and other expenses	(608)	(446)	36%
Net depreciation and amortisation	(279)	(233)	20%
Impairment losses	(236)	(100)	137%
Operating loss before tariff subsidies and grants	(466)	(139)	235%
Revenue grant	167	147	13%
Finance income	81	89	(9%)
Finance costs	(26)	(27)	(4%)
Profit before tax	(243)	71	(441%)
Tax	77	(21)	(459%)
Profit for the period (PAT)	(166)	50	(433%)
Balance Sheet extract P'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	1,534	1,660	(8%)
Trade and other receivables	743	413	80%
Property Plant and Equipment (PPE)	8,650	7,156	21%
Government grants	4,282	3,186	34%
Trade and other payables	994	505	97%
Borrowings	222	226	(2%)
Equity	5,491	5,657	(3%)

- Total Revenue remained flat, following the Governments directive in Apr20 for WUC to reconnect defaulting customers. P32.5mn of revenue could not be recognised as the probability of collection based on customer history was low.
- Admin expenses +31% due to P122mn out-of-court settlement with a supplier whose contractual terms were on void.
- Impairments increased 1.4x due to Government's directive to reconnect defaulting customers.
- Revenue grant +13% on account of receipt of funds from Government to meet out-of-court settlement.
- PAT -433% due to flat revenue as well as higher admin and impairment expenses.
- Trade receivables +80%, trade payables +97% and PPE +21% due to P1.7bn in development expenditure incurred during the year.

LUCARA 3Q21 RESULTS – RECOVERY IN DIAMOND TRADE BOOSTS EARNINGS

Income Statement \$'Mn	3Q 21	3Q 20	% Δ	
Revenues	172.1	82.9	108%	• Revenue +108% as Lucara restarted selling stones below 10.8ca.
Operating expenses	(58.0)	(51.0)	14%	• Operating expenses +14% due to the resumption of discretionary expenditure which was suspended in FY20 as a result of the pandemic.
Royalty expenses	(18.3)	(8.8)	107%	• Royalty expenses +107% in line with revenue increase.
Depletion, amortisation and accretion	(36.6)	(31.9)	15%	• Profit realised for the period driven by increased revenue on account of the normalisation in diamond trading.
Income from mining operations	59.3	(8.9)	(769%)	• Cash and cash equivalents +1.6x due to 1.7x increase in credit facility.
Administration	(12.3)	(12.1)	2%	• Mineral properties in +59% due to Karowe underground mine development expenses incurred.
Sales and marketing	(2.1)	(1.6)	33%	• No dividends declared
Exploration expenditures	-	(1.3)	(100%)	• P6.50 (YTD: +27.20%)
Net finance expense	(3.4)	(2.5)	35%	• PE: 14.2
FX gain/(loss)	(1.5)	1.2	(221%)	• PB: 1.0
Loss on disposal of PPE	-	(2.7)	(100%)	• D/Y: 0.00%
Profit / (loss) before tax	40.0	(27.8)	(244%)	• Mkt Cap: P2,944.7mn.
Current income tax	(2.0)	(0.3)	704%	
Deferred income tax	(15.8)	5.6	(384%)	
Net income / (loss) for the period	22.2	(22.4)	(199%)	
Balance Sheet extract \$'Mn	3Q 21	3Q 20	% Δ	
Cash and cash equivalents	26.6	10.1	164%	
Inventories	30.9	64.9	(52%)	
PPE	83.2	103.9	(20%)	
Mineral Properties	151.5	95.3	59%	
Credit facility	53.9	20.0	170%	
Equity	255.1	197.4	29%	

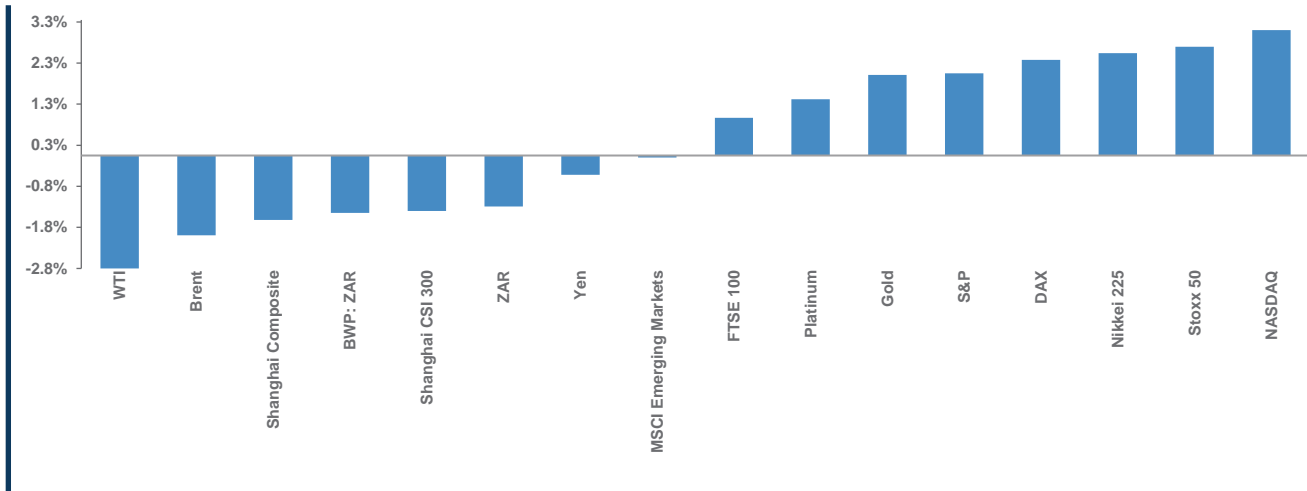
Regional SOUTH AFRICA

- Oct21 Absa Manufacturing PMI 53.6 v 55.8 (e) v 54.7 (Sep21)
- Oct21 Standard Bank PMI 48.6 v 50.5 (e) v 50.7 (Sep21)
- Eskom implemented loadshedding last week from 2 Nov 21 due to failures at its Kusile, Matimba and Arnot power stations. Load shedding will continue from 8-13 Nov 21 due to failures at its Tutuka, Medupi and Maatla power stations. There was also a major incident in Zambia that affected the Southern Africa Power Pool on 6 Nov 21.

ZAR PERFORMANCE

- The ZAR strengthened against the USD on the back of bullish investor sentiment driven by comments by the US Fed Chair Jerome Powell which indicated that interest rates will be lower for longer.
- 15.05 (WTD: -1.24%) v 15.24 (29 Oct 21)

INTERNATIONAL SNAPSHOT – 5 NOV 21 WEEKLY PERFORMANCE



- Oct21 Final Manufacturing PMI 53.2 v 51.5 (Sep21)
- Japanese equities closed the week higher following the ruling party's win at the general elections, easing investor uncertainty. Dovish comments from the US Fed regarding interest rates and the continued release of strong corporate earnings further supported Japanese equities.
- Nikkei 225: 29,612 (WTD: +2.49%), Yen: 113.41 (WTD: -0.47%)



- Eurozone Oct21 Final Manufacturing PMI 58.3 v 58.5 (e) 58.6 (Sep21)
- France Oct21 Final Manufacturing PMI 53.6 v 53.5 (e) 55.0 (Sep21)
- Germany Oct21 Final Manufacturing PMI 57.8 v 58.2 (e) 58.4 (Sep21)
- The Bank of England (BoE) Monetary Policy Committee met during the week and decided the following:
 - Maintained the Bank Rate at 0.1%
 - Maintained its stock of investment-grade bond purchases at £20bn and UK Government bond purchases at £875bn.
- European equities closed the week in the green owing to upbeat corporate earnings, dovish comments from the US Fed regarding interest rates and continued loose monetary policy from the BoE.
- DAX: 16,054 (WTD: +2.33%), Stoxx50: 4,363 (WTD: +2.65%), FTSE100: 7,304 (WTD: +0.92%)



- Oct21 Official Manufacturing PMI 49.2 v 49.7 (e) v 49.6 (Sep21)
- Oct21 Caixin Manufacturing PMI 50.6 v 50.0 (e) v 50.0 (Sep21)
- Chinese equities closed the week in the red due to the continued rise in Covid-19 cases.
- SHSZ300: 4,842 (WTD: -1.35%), SHCOMP: 3,492 (WTD: -1.57%)



- 30 Oct 21 Initial Jobless Claims 269k v 275k (e) v 283k (23 Oct 21)
- Oct21 ΔNon-Farm Payrolls 531k v 450k (e) v 312k (Sep21)
 - Unemployment Rate 4.6% v 4.7% (e) v 4.8% (Sep21)
 - Labour Force Participation Rate 61.6% v 61.7% (e) v 61.6% (Sep21)
- Oct21 Final Manufacturing PMI 58.4 v 59.2 (e) v 60.7 (Sep21)
- The Federal Reserve Open Market Committee (FOMC) met during the week and decided the following:
 - Maintained the Federal Funds Rate target range at 0.00%-0.25%.
 - Reduced monthly purchases of treasury securities (TS) and agency mortgage-backed securities (AMBS) by \$10bn and \$5bn to \$70bn and \$35bn respectively.
 - The Fed will further reduce its purchases of TS and AMBS by \$10bn and \$5bn to \$60bn and \$30bn respectively in Dec21.
 - The FOMC then expects similar monthly reductions each month.
- US Fed Chair Jerome Powell's stated that tapering its quantitative easing program is not related to the Fed's interest policy where different and more stringent tests for economic conditions would need to be met before raising interest rates.
- US equities rose for the week following the continued release of upbeat corporate earnings, strong jobs data and dovish Fed interest rate comments.
- NASDAQ: 15,972 (WTD: +3.05%), S&P: 4,698 (WTD: +2.00%)

COMMODITIES



- Δ US Crude Inventories 3,290k bbl. (29 Oct 21) v 1,747k bbl. (e) v 4,268k bbl. (22 Oct 21)
- Δ US Oil Rigs +6; 550 (5 Nov 21) v 544 (29 Oct 21)
- Δ North American Oil Rigs +0; 710 (5 Nov 21) v 710(29 Oct 21)
- OPEC+ agreed to maintain its plan to increase production by 400k bbl./day.
- Oil prices closed the week lower following the OPEC+ decision and the continued build up in US crude inventories.
 - WTI: \$81.27 (WTD: -2.75%)
 - Brent Crude: \$82.74 (WTD: -1.94%)



- Precious metals closed the week higher on account of declining US Treasury yields and a weaker USD.
 - Gold: \$1,818 (WTD: +1.96%)
 - Platinum: \$1,036 (WTD: 1.37%)
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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 Ndzinge, S Noor, MS Sibanda
Reg No: BW00000988897

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