

Local

COMPANY ANNOUNCEMENTS



Declaration of Interim Dividend

- Engen declared an interim dividend of 15.7t/share, payable on 20 Jan 23.
- P11.40 (YTD: +10.14%) PE: 4.5 PB: 2.1 D/Y: 6.96% Mkt Cap: P1,820.8mn



Resource Optimisation

- BTC announced that it concluded its restructuring exercise on 9 Dec 22, where it retrenched 196 employees and absorbed on a permanent basis, a total of 62 graduates who were on temporary employment.
- The rationale for the review of the organisational structure was to ensure that:
 - The organisational structure supports BTC's strategic direction and the future viability, resilience, and long-term financial sustainability.
 - The need for efficient operation of the business.
 - The company is transformed such that it has the right human capital in the right jobs
- P0.77 (YTD: +2.67%) PE: 5.7 PB: 0.4 D/Y: 11.31% Mkt Cap: P808.5mn



Changes to the Board and Board Committees

- CA&S announced the appointment of B Mathews as an Independent Non-Executive Director as well as a member of both the Audit and Risk Committee (ARC) and The Social and Ethics Committee (SEC), effective 1 Jan 23.
- The aforementioned appointment follows the resignation of N de Wall as a Non-Executive Director and as a member of the SEC, effective 31 Dec 22.
- P4.22 (YTD: +15.62%) PE: 8.0 PB: 1.4 D/Y: 2.19% Mkt Cap: P1,997.5mn

Results of Annual General Meeting (AGM) and Board Appointment



- Results of AGM
 - FAR announced the results of its 2022 AGM where all resolutions were passed by 97.6% or more votes in favour, except:
 - Ordinary resolution 10: Approving the placement of 15% of issued linked units for allotment and issue for the acquisition of immovable property until the next AGM. 82.0% of shareholders voted in favour of the resolution while 18.0% voted against.
- Board Appointment
 - FAR announced the appointment of G Keebine to its Board of Directors, effective 12 Dec 22.
 - Mr Keebine is the President of Business Botswana.
- P2.40 (YTD: -2.04%) PE: 9.8 PB: 1.1 D/Y: 7.67% Mkt Cap: P1,137.8mn

A\$3mn Placement



- Tlou announced that it has received firm commitments to raise A\$3mn pursuant to a placing of 87,796,135 new ordinary shares at an issue price of A\$0.035.
- The funds will be raised through:
 - IC Australia (No2) Pty Ltd, an entity controlled by Dr Campbell who invested A\$5mn and has agreed to subscribe for 71,428,571 New Shares at a cost of A\$2.5m.
 - New investors introduced to the Company by Dr Campbell.
 - 4 Directors of Tlou.
 - Management and consultants associated with Tlou.
- P0.50 (YTD: 0.00%) PE: N/A PB: 0.8 D/Y: 0.00% Mkt Cap: P371.5mn



Business Update (BU)

- Chobe announced that it will release a BU on 20 Jan 23 on X-News based on shareholder and analyst questions sent to info@chobeholdings.com by 31 Dec 22.
- P7.91 (YTD: +8.36%) PE: 11.8 PB: 2.1 D/Y: 0.00% Mkt Cap: P707.5mn



Director Dealing's in Shares

- BIHL announced that C Lesetedi sold 6k BIHL shares at P17.71/share.
- P17.71 (YTD: +1.20%) PE: 11.0 PB: 1.5 D/Y: 7.68% Mkt Cap: P5,000.8mn

Notice of Annual General Meeting (AGM)



- Furnmart announced that it will hold its AGM at 3.00pm at Board Room, Furnmart Limited, Plot 20573/4 Magochanyama Road on 25 Jan 23. Shareholders will vote on:
 - Approving 31 Jul 22 financial statements and the directors' and auditor's reports thereon.
 - Approving the dividends proposed by the Directors.
 - Approving the re-election of J Mynhardt, L Waldeck and E Odendaal as Directors.
 - Approving the remuneration of Directors for the year ended 31 Jul 22.
 - Approving the auditor remuneration paid to the auditor, for the past audit.
 - Approving the reappointment of Ernst & Young Botswana as auditors for the ensuing year.

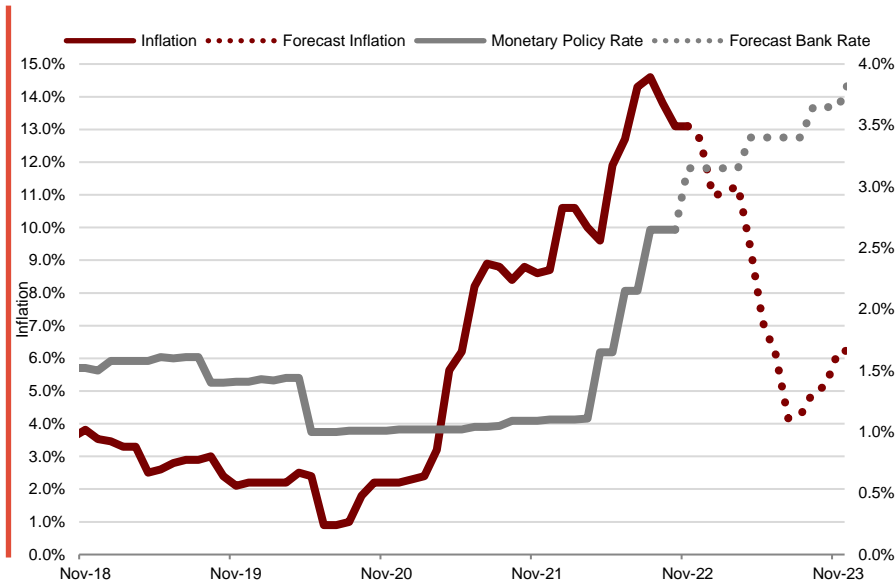
SEEDCO HY23 RESULTS – LOWER SALES VOLUMES & HIGH OPERATING COSTS REDUCE PROFITS

Income Statement US\$'Mn	HY 23	HY 22	% Δ
Revenue	25.5	35.5	(28%)
Cost of sales	(14.2)	(18.2)	(22%)
Gross Profit	11.3	17.3	(35%)
Other Income and gains	1.1	1.3	(15%)
Operating expenses (OPEX)	(15.0)	(13.8)	9%
Operating profit	(2.6)	4.8	(154%)
Net Finance costs	(1.4)	(1.3)	8%
Shares of results of associate and joint venture (JV)	(0.5)	(0.9)	(44%)
Profit before taxation	(4.5)	2.6	(273%)
Tax	0.2	(1.1)	(118%)
Profit for the period (PAT)	(4.3)	1.5	(387%)

Balance Sheet extract US\$'Mn	HY 23	HY 22	% Δ
Cash and cash equivalents	8.9	8.2	9%
Trade and other receivables	57.9	69.8	(17%)
Plant Property & Equipment (PPE)	45.1	46.1	(2%)
Trade and other payables	23.2	25.7	(10%)
Borrowings	47.8	45.4	5%
Equity	91.4	93.7	(2%)

- Revenue -28% on the back of lower sales volumes driven by the delay in seed distribution by both the Zambian and Malawian Governments, drought in Kenya, and product shortages in Nigeria.
- OPEX +9% driven by imported global inflation in regional markets as well the impact of a strong Zambian Kwacha.
- Net finance costs +8% due to rising interest rates.
- PAT declined 3.9x on the back of lower sales volume and higher operating costs.
- Borrowings +5% driven by the draw-down of seasonal short-term working capital facilities to fund the intake of raw seed from growers and the commencement of seed processing.
- No dividends declared
- P2.70 (YTD: +0.00%)
PE: 63.1
PB: 0.9
D/Y: 0.00%
Mkt Cap: P1,062.8mn

NOV22 INFLATION – INFLATION REMAINS ELEVATED



- Nov22 inflation 12.2% v 12.4% (Kgori) v 13.1% (Oct22)
- Inflation trended lower for the month as transport inflation declined 3.4% m/m driven by a P1.83 decrease in petrol retail pump prices that were effected in Oct22. Annual transport inflation however continues to remain elevated at 28.2% y/y.
- We continue to expect inflation to remain elevated but gradually reduce and sustainably trend within the Bank of Botswana's (BoB) objective range from 4Q24.
- We do not expect any rate hikes in the near term as the BoB continues to monitor declining inflation levels.

Regional SOUTH AFRICA

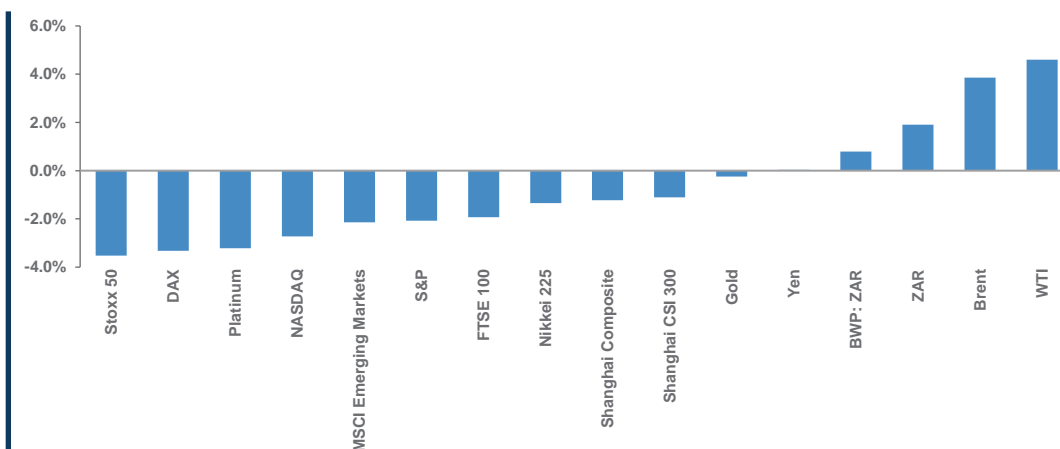
- Nov22 CPI y/y 7.4% v 7.5% (e) v 7.6% (Oct22)
- Oct22 Retail Sales m/m 0.4% v 0.0% (e) v 0.2% (Sep22)
- Nov22 Business Confidence 110.9 v 109.4 (Oct22)
- During the week Eskom announced the implementation of stage 6 loadshedding, citing high levels of breakdowns of various generating stations.

ZAR PERFORMANCE

- The South African rand weakened against the USD after the Fed raised interest rates, defying expectations of a dovish policy shift by signaling that rates would remain higher for longer.
- ZAR 17.68 (WTD: +1.90%) v ZAR 17.35 (9 Dec 22)

International

INTERNATIONAL SNAPSHOT – 16 DEC 22 WEEKLY PERFORMANCE





- Oct22 Final Industrial Production m/m -3.2% v -2.6% (Sep22)
- Oct22 Core Machine Orders m/m 5.4% v 1.8% (e) -4.6% (Sep22)
- Dec22 Preliminary Manufacturing PMI 48.8 v 49.0 (Nov22)
- Nov22 PPI y/y 9.3% v 8.8% (e) v 9.4% (Oct22)
- Japanese equities closed the week in the red, as interest rate hikes by major central banks raised concerns over an economic slowdown.
- Nikkei 225: 27,527 (WTD: -1.34%), Yen: 136.60 (WTD: +0.03%)



- Eurozone Dec22 Preliminary Manufacturing PMI 47.8 v 47.1 (e) v 47.1 (Nov22)
- France Dec22 Preliminary Manufacturing PMI 48.9 v 48.0 (e) v 48.3 (Nov22)
- Germany Dec22 Preliminary Manufacturing PMI 47.4 v 46.3 (e) v 46.2 (Nov22)
- UK Dec22 Preliminary Manufacturing PMI 44.7 v 46.5 (e) v 46.5 (Nov22)
- The Bank of England (BoE) Monetary Policy Committee met during the week and decided to increase the Bank Rate by 50bps to 3.50%.
- The European Central Bank (ECB) Governing Council (GC) met during the week and decided on the following:
 - To increase the main refinancing operations rate, the marginal lending facility rate, and the deposit facility rate by 50bps to 2.50%, 2.75% and 2.00% respectively.
 - To continue reinvesting principal repayments received under its asset purchase program.
 - To continue reinvesting principal repayments under its pandemic emergency purchase program to at least the end of 2024.
- European markets ended the week lower, on hawkish central banks, raising concerns of a possible global recession.
- DAX: 13,893 (WTD: -3.32%), Stoxx50: 3,804 (WTD: -3.52%), FTSE100: 7,332 (WTD: -1.93%)



- Nov22 Retail Sales y/y -5.9% v -4.0% (e) v -0.5% (Oct22)
- Nov22 Industrial Production y/y 2.2% v 3.5% (e) v 5.0% (Oct22)
- The People's Bank of China maintained the 1-year lending facility rate at 2.75%
- Chinese stocks closed lower on the back of rising Covid-19 cases.
- SHSZ300: 3,954 (WTD: -1.10%), SHCOMP: 3,168 (WTD: -1.22%)



- 10 Dec 22 Initial Jobless Claims 211 v 232 (e) v 231k (3 Dec 22)
- Nov22 CPI y/y 7.1% v 7.3% (e) v 7.7% (Oct22)
- Nov22 Retail Sales Advance m/m -0.6% v -0.2% (e) v 1.3% (Oct22)
- Dec22 Preliminary Manufacturing PMI 46.2 v 47.8 (e) v 47.7 (Nov22)
- The US Federal Reserve Open Market Committee met during the week and decided to:
 - Increase the Fed fund rate by 50bps to 4.25-4.50%.
 - Reduce the monthly pace of its net asset purchases, bringing them to an end in early Mar23.
- US equities finished the week lower on hawkish central banks, raising concerns of a possible global recession.
- NASDAQ: 10,705 (WTD: -2.72%), S&P 500: 3,852 (WTD: -2.08%)

COMMODITIES



- ΔUS Crude Inventories 10,231k bbl. (9 Dec 22) v -3,409k bbl. (e) v -5,186k bbl. (2 Dec 22)
- ΔUS Oil Rigs -4; 776 (16 Dec 22) v 780 (9 Dec 22)
- ΔNorth American Oil Rigs -7; 975 (16 Dec 22) v 982 (9 Dec 22)
- Oil prices closed in the green on optimism about China easing its Covid-19 restrictions.
 - WTI: \$74.29 (WTD: +4.60%)
 - Brent Crude: \$79.04 (WTD: +3.86%)



- Gold closed in the red on the back of a stronger USD.
 - Gold: \$1,793 (WTD: -0.24%)
 - Platinum: \$995 (WTD: -3.22%)



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