



KGORI CAPITAL
INVEST WITH PRIDE

KGORI CAPITAL MARKET WATCH

22 May 2023

LOCAL

COMPANY ANNOUNCEMENTS



Exercise of Share Options in Terms of the CA&S Share Incentive Trust

- CA Sales announced that D Lewis, F Reichert, C Hassett and K Shah exercised options to receive 195 099, 139 963, 234 228 and 175 174 shares respectively in accordance with terms of the share incentive scheme at an average price of R4.96/share.
- P5,22 (YTD: +23.22%) PE: 9 PB: 1.6 D/Y: 2.13% Mkt Cap: P2461.4mn



Results of Annual General Meeting (AGM)

- Lucara announced the results of its 2021 AGM, where all resolutions were passed by 95.77% or more votes in favour.
- P5,65 (YTD: -13.08%) PE: 3.5 PB: 0.5 D/Y: 0.00% Mkt Cap: P2568.4mn

G4S FY22 RESULTS – INCREASED COMPETITION AND COSTS REDUCE PROFITS

Income Statement P'Mn	FY 22	FY 21	% Δ
Revenue	212	200	6%
Cost of sales	(174)	(148)	17%
Gross Profit	39	51	(24%)
Other income/ (loss)	1	3	(55%)
Movement in credit loss allowances	(4)	4	(197%)
Administrative expenses	(43)	(35)	22%
Profit from operations	(7)	23	(131%)
Finance expense	(1)	(2)	(13%)
Finance income	2	3	(21%)
Profit before taxation	(6)	25	(125%)
Tax	0	(5)	(102%)
Profit for the year	(6)	20	(131%)
Balance Sheet extract P'Mn	FY 22	FY 21	% Δ
Cash and Cash Equivalents	12	16	(25%)
Amount due from related parties	50	59	(15%)
Trade and other receivables	30	37	(19%)
PPE	23	14	64%
Trade and other payables	28	27	2%
Equity	112	118	(5%)

- Revenue +6% primarily driven by manned guarding line and Cash Service Line.
- Cost of sales +26% due to the rise in fuel and fleet maintenance costs.
- Administrative expenses +22% due to the normalisation of the alarm monitoring and response teams, following the reduction of the crew structure in 2020.
- PBT -125% due to an increase in fuel costs and administrative expenses.
- No dividend declared.
- P2.62 (YTD: -1.13%)
PE: N/A
PB: 1.9
D/Y: 0.00%
Mkt Cap: P209.6mn

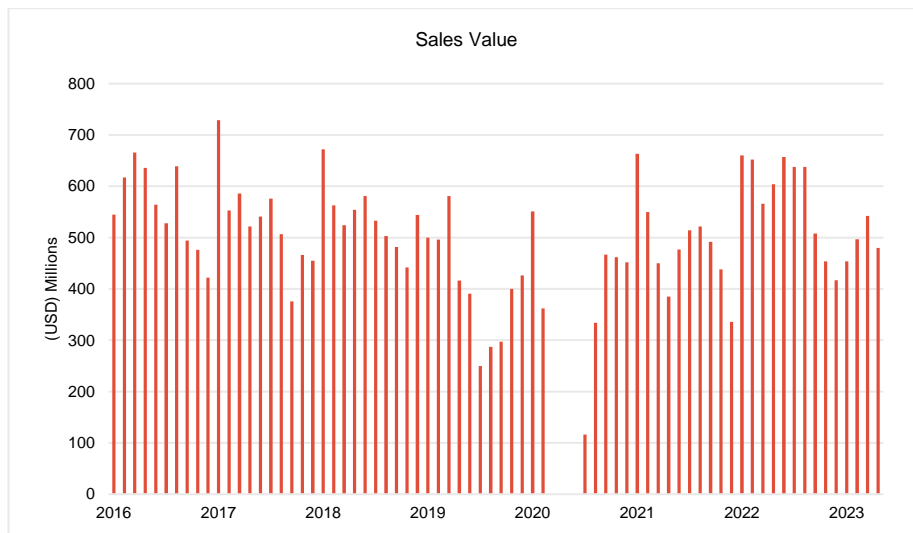
PRIMETIME HY23 RESULTS – PROFITS TAKE A KNOCK DUE TO HIGHER FINANCE COSTS

Income Statement P'Mn	HY 23	HY 23	% Δ
Rental Revenue	105	98	7%
Operating expenses	(42)	(40)	4%
Loss on property disposal	0	0	0%
FX on foreign balances	(1)	(1)	23%
Profit from Operations	62	57	9%
Finance income	1	1	(17%)
Finance costs	(37)	(30)	25%
Profit before tax	26	28	(8%)
Tax	(4)	(3)	24%
Profit for the Period (PAT)	22	25	(12%)

Balance Sheet P'Mn	HY 23	HY 23	% Δ
Cash and cash equivalents	28	91	(70%)
Investment Properties	62	136	(55%)
Non-Current Liabilities	876	848	3%
Equity	833	732	14%

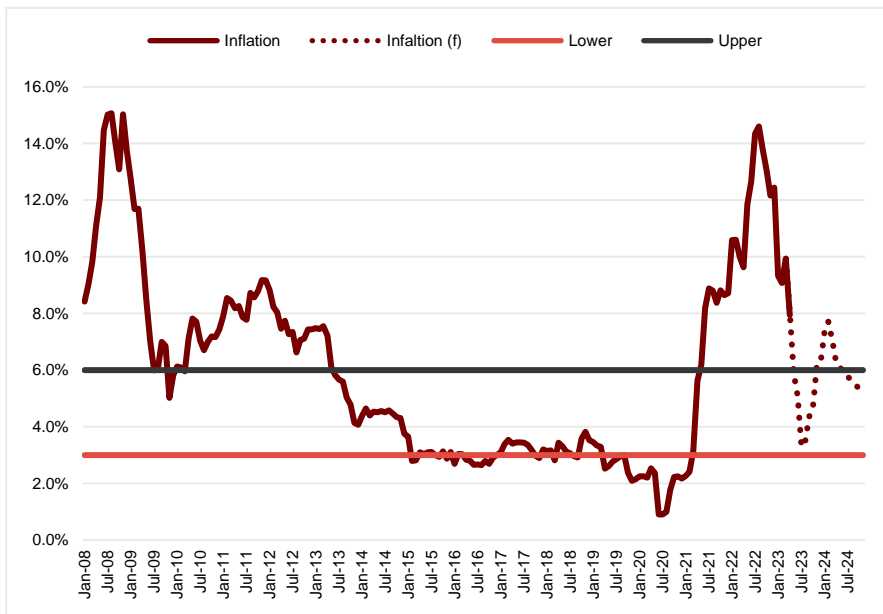
- Revenue +7% due to the inclusion of Lobatse Junction over the period.
- Finance costs +25% on the back of a higher interest rate environment and a 3% increase in borrowings.
- Cash and cash equivalents -70% to fund the Motswere building at Prime Plaza II in CBD.
- PAT decreased -12% due to higher operating and finance costs.
- No distribution declared.
- P1.75 (YTD: +9.38%)
PE: 7.1
PB: 0.6
D/Y: 7.55%
Mkt Cap: P442.0mn

DE BEERS' (DB) CYCLE 4 SALES 2023 – DIAMOND SALES SLOW DOWN



- DB Cycle 4 2023 Sales \$480mn v \$604mn (Cycle 4 2022) v \$542mn (Cycle 3 2023)
 - Contracting by 11.4% c/c
 - Contracting by 20.5% y/y
- Lower sales during the cycle in line with expectations as the diamond industry enters a seasonally quieter period.
- Furthermore, sales have been adversely affected by the ongoing macroeconomic uncertainty along with the slower than expected recovery of China's consumer demand.

APR23 INFLATION – INFLATION DECLINES



- Apr23 Inflation was 7.9% v 10.1% (Kgori) v 9.9% (Mar23)
- The decline was due to strong base effects as the upward adjustment in fuel prices that took place towards the end of Mar22 fell out of calculations.
- Inflation rose 1.1% m/m driven by Miscellaneous Goods and Services inflation which rose by 5.5% m/m, as the cost of Insurance services increases by 11.2% m/m over the period.
- We expect no changes to the MOPR as BoB pauses rate hikes due to declining inflation.

REGIONAL

SOUTH AFRICA

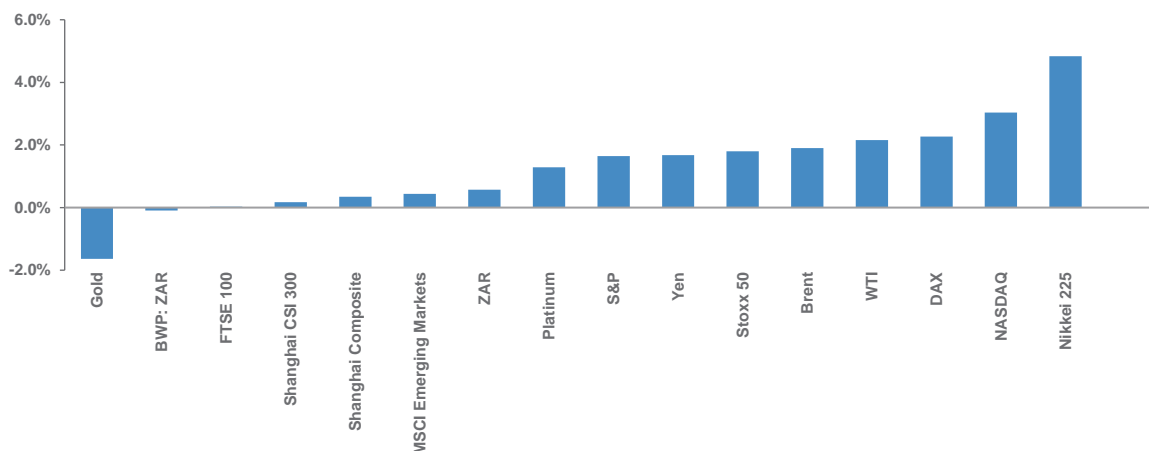
- Mar23 Retail Sales m/m -0.7% v 0.2% (e) v -0.3% (Feb23)
- 1Q23 Unemployment 32.9% v 33.0% (e) v 32.7% (4Q22)
- During the week Eskom announced the prospect of record power outages this winter.

ZAR PERFORMANCE

- The ZAR weakened against the USD as investors await sovereign rating assessment by S&P.
- ZAR 19.45 (WTD: +0.57%) v 19.34 (12 May 23)

Rand weakens against the US dollar for fifth consecutive week.

INTERNATIONAL SNAPSHOT – 19 MAY 23 WEEKLY PERFORMANCE



- Mar23 Industrial Production m/m 1.1% v 0.8% (Feb23)
- Mar23 Core Machine Orders m/m 0.4% v -4.5% (Feb23)
- Apr23 PPI y/y 5.8% v 5.6% (e) v 7.4% (Mar23)
- Japanese equities closed higher for the week on the back of increased confidence that a US debt ceiling deal could be reached.
- Nikkei 225: 30,808 (WTD: +4.83%), Yen: 137,98 (WTD: +1.68%)



- Eurozone Apr23 CPI y/y 7.0% v 7.0% (e) v 7.0% (Mar23)
- Germany Apr23 PPI y/y 4.1% v 4.3% (e) v 6.7% (Mar23)
- UK Apr23 Jobless Claims Change 46.7k v 26.5k (Mar23)
- European markets closed in the green for the week as investors expected US debt default to be avoided.
- DAX: 16,275 (WTD: +2.37%) Stoxx50: 4,395 (WTD: +1.79%) FTSE100: 7,757 (WTD: +0.03%)



- Apr23 Industrial Production y/y 5.6% v 10.9% (e) v 3.9% (Mar23)
- Apr23 Retail Sales y/y 18.4% v 21.9% (e) v 10.6% (Mar23)
- Chinese stocks closed off the week stronger as investors anticipated more supportive policies from Beijing to ensure the country's economic recovery gets back on track after disappointing inflation and credit data was released.
- SHSZ300: 3,945 (WTD: +0.17%), SHCOMP: 3,284 (WTD: +0.34%)



- 13 May 23 Initial Jobless Claims 242k v 251k (e) v 264k (06 May 23)
- Apr23 Retail Sales m/m 0.4% v 0.8% (e) v -0.7% (Mar23)
- Apr23 Industrial Production m/m 0.5% v 0.0% (e) v 0.0% (Mar23)
- US equities ended the week in the green amid positive sentiments that a US debt ceiling deal could be reached.
- NASDAQ: 12,658 (WTD: +3.04%), S&P 500: 4,192 (WTD: +1.65%)



- Δ US Crude Inventories 5,040k bbl. (12 May 23) v -740k bbl. (e) v 2,951k bbl. (05 May 23)
- Δ US Oil Rigs -11; 720 (19 May 23) v 731 (12 May 23)
- Δ North American Oil Rigs -20; 805 (19 May 23) v 825 (12 May 23)
- Oil prices gained during the week as dealers kept tabs on US debt ceiling negotiations.
 - WTI: \$71,55 (WTD: +2,16%)
 - Brent Crude: \$75,58 (WTD: +1,90%)



- Gold prices declined amid optimism over US debt ceiling talks.
 - Gold: \$1,978 (WTD: -1,64%)
 - Platinum: \$1,067 (WTD: +1,29%)

Oil prices gain momentum during the week



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 Ndzinge, S Noor,
MS Sibanda, AA Wellio-Moyo

Reg No BW00000988897

