



KGORI CAPITAL
INVEST WITH PRIDE

31 July 2023

COMPANY ANNOUNCEMENTS

Notice of Annual General Meeting (AGM) And Dealings in Securities By A Director



- Notice of AGM
 - Chobe will host its 2023 AGM at the Hilton Inn Hotel in Gaborone, Botswana on 24 Aug 23 at 530pm. Shareholders will vote on:
 - Approving the 28 Feb 23 financial statements together with the Directors and auditors' reports thereon.
 - Approving the distribution of a dividend as recommended by the Directors.
 - Approving the re-elections of K Ledimo, J Nganunu-Macharia, J Gibson and S Fernando as Directors.
 - Approving the remuneration paid to Directors for year end 28 Feb 23.
 - Approving appointment of Ernst & Young as auditors for the ensuing year.
 - Approving auditors remuneration for year ended 28 Feb 23.
 - Approving non-binding remuneration policy.
- Dealings In Securities by a Director
 - Chobe announced the sale of 294 ordinary shares by director, J Gibson at P10.51t/share.
- P10.65 (YTD: +34.64%) PE: 9.1 PB: 2.6 D/Y: 5.63% Mkt Cap: 952.5mn

Notice Of Significant Trade in Company Securities



- Choppies announced that following the recent rights offer, Ivygrove Holdings now holds 12.4% of total Choppies shares in issue.
- The transaction took place on 29 Jun 23 and the total on-market sale value of the transaction was P129 913 002.
- P0.64 (YTD: -1.54%) PE: 10.8 PB: N/A D/Y: 0.00% Mkt Cap: P1,167.7mn

Release of 2Q23 Results



- Lucara announced that it will release its 2Q23 results on 9 Aug 23 after markets close in North America and that it will hold a conference call and webcast to discuss the results on 10 Aug 23 at 4pm UK time.
- P5.03 (YTD: -22.62%) PE: 3.2 PB: 0.5 D/Y: 0.00% Mkt Cap: P2,286.5mn

Results of the Odd-Lot Offer



- CA&S announced that it had completed a repurchase of 100,025 ordinary shares from eligible shareholders for a total consideration of R706 283.02.
- As a result of this offer, the number of CA&S shareholders has decreased by ~35% (4,131 shareholders), leading to potential cost savings for the company in the future.
- The CA&S ordinary shares repurchased under the offer will be delisted on or about 27 July 23, reducing the company's total issued ordinary share capital from 474 970 082 to 474 870 057 ordinary shares, with zero treasury shares.
- P5.20 (YTD: +23.22%) PE: 9.0 PB: 1.6 D/Y: 2.13% Mkt Cap: P2,469.8mn

Quarterly Activities Report

- Tlou released its Jun23 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
 - Lesedi Project
 - Tlou announced that two of their Prospecting Licences (PL001/2004 and PL003/2004) are expiring Sep 23, the company submitted renewal applications during the quarter.
 - Transmission line work is 79% complete and has been pushed back from its Jul 23 scheduled completion date due to delay in availability, of line conductors and harder rock excavation.
 - The substations at either end of the transmission line expected to be completed in early 2024.
 - Lesedi 6 production pod drilling was completed during the quarter.
 - Other Projects
 - Tlou's other prospecting licenses, i.e., the Mamba, and the Boomslang projects, have not made much progress during the quarter.
 - Tlou's five Prospecting licences in the Mamba project are all set to expire in Sep 23 and the company submitted renewal applications during the quarter.
 - Cash Position
 - Tlou highlighted that its cash and cash equivalents at the end of the quarter amounted to A\$6.85mn.
- P0.50 (YTD: 0.00%) PE: N/A PB: 1.1 D/Y: 0.00% Mkt Cap: P512.3mn



Cautionary Announcements - Sale of Red Square Residential Flats and Potential Transaction

- Sale of Red Square Residential Flats
 - LLR advised unitholders to exercise caution as it is in the process of selling Red Square residential flats in Gaborone in line with company strategy to dispose lower returning assets.
- Potential Transaction
 - LLR advised unitholders to exercise caution as it is in negotiations with a third party for a potential acquisition of significant shareholding in the company.
- P2.50 (YTD: -28.16%) PE: 7.0 PB: 0.8 D/Y: 7.90% Mkt Cap: P700.0mn



Notice Of Extraordinary General Meeting (EGM)

- Letshego will virtually host its 2023 AGM on 11 Aug 23 at 09:30am. Shareholders will vote on:
 - Approving the change of name of company from Letshego Holdings Limited to Letshego Africa Holdings Limited.
 - Approving the adoption of the amendment to the company constitution.
- P1.04 (YTD : -16.80%) PE: 4.8 PB: 0.4 D/Y: 14.90% Mkt Cap: P2,262.0mn

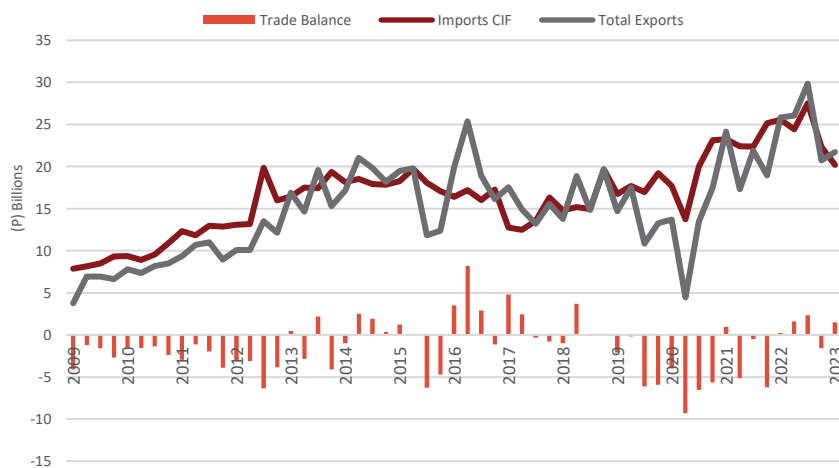


SEFALANA FY23 RESULTS – GROWTH IN REVENUE DRIVES UP EARNINGS

Income Statement P'Mn	FY 23	FY 22	% Δ
Revenue	9 116	7 520	21%
Cost of sales	(8 441)	(6 996)	21%
Gross Profit	676	523	29%
Other Income and gains	48	52	(7%)
Administrative expenses	(312)	(252)	24%
Earnings before interest, tax and amortization (EBITA)	412	323	27%
Amortization	(7)	(7)	3%
Investment income	34	54	(37%)
Finance costs	(26)	(22)	16%
Shares of results of associate	(11)	(14)	(26%)
Profit before taxation	403	334	21%
Tax	(102)	(113)	(9%)
Profit for the period (PAT)	301	221	36%
Balance Sheet extract P'Mn	FY 23	FY 22	% Δ
Cash and cash equivalents	525	575	(9%)
PPE	936	857	9%
Trade and other receivables	620	862	(28%)
Trade and other payables	106	108	(1%)
Equity	2,341	2,174	8%

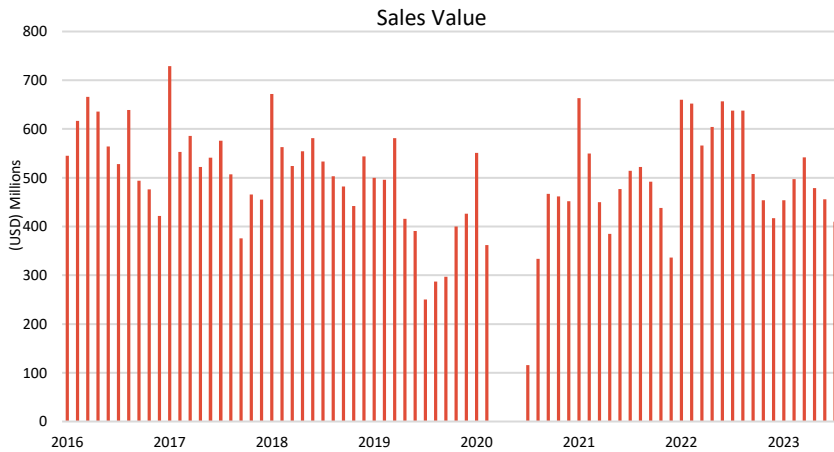
- Revenue +21% driven by strong growth in Retail business in Botswana (+22.9%), Namibia (+20.6%) and Lesotho (+13.9%).
- Tax -9% despite PBT growing +21% due to the accelerated withholding tax paid on dividends declared by subsidiary companies.
- PAT +36% due to a strong rise in revenue.
- Final dividend of 50t/share declared, payable on 23 Aug 23.
- P9.86 (YTD: +2.07%)
PE: 8.2
PB: 1.1
D/Y: 7.30%
Mkt Cap: P2,472.2mn

MAY23 TRADE BALANCE (TB) – TRADE SURPLUS EXPANDS



- May23 TB P1.914bn v P0.467bn (May22)
 - May23 Imports: P6.6bn v P6.2bn (Apr23) v P8.6bn (May22). Representing a y/y contraction of 22.8%.
 - May23 Exports: P8.5bn v P6.5bn (Apr23) v P9.0bn (May22). Resulting in a y/y contraction of 5.6%. This was mainly attributable to the y/y contraction of 8.5% in diamond exports during the month. On the other hand, copper exports rose by 69.1% y/y, increasing the commodity's share of total exports.

DE BEERS (DB) CYCLE 6 SALES 2023 — DIAMOND SALES SLOW DOWN



- DB Cycle 6 2023 Sales \$410mn v \$838mn (Cycle 6 2022) v \$456mn (Cycle 5 2023)
- Sales contracted 10.1% c/c and 35.7% y/y.
- Due to ongoing macroeconomic challenges, the midstream sector continues to take a cautious approach towards diamond purchases.

REGIONAL

SOUTH AFRICA

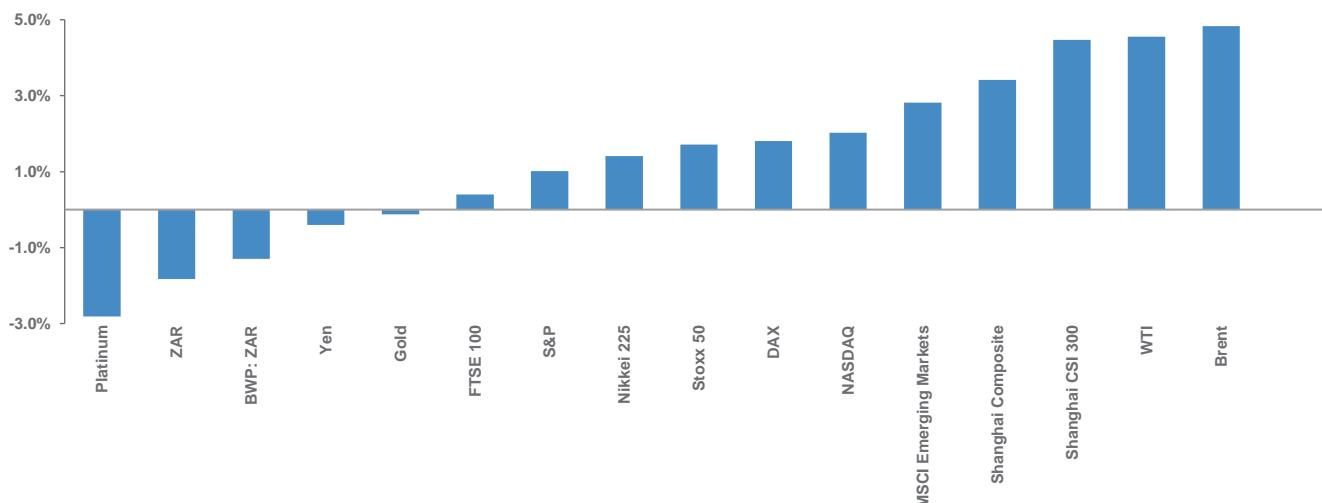
- Jun23 PPI y/y 4.8% v 5.8% (e) v 7.3% (May23)
- Jun23 Trade Balance R36.7bn v R18.5bn (e) v -R16.bn (May23)
- During the week, Eskom continued to implement Stage 4 load shedding until further notice.

ZAR PERFORMANCE

- The ZAR strengthened against the USD as positive US data lowered likelihood of further US rate hikes.
- ZAR 17.63 (WTD: -1.83%) v 17.96 (21 Jul 23)

Rand strengthens against the US Dollar for third consecutive week.

INTERNATIONAL SNAPSHOT – 28 JUL 23 WEEKLY PERFORMANCE



- Jul23 Preliminary Jibun Bank Manufacturing PMI y/y 49.9 v 49.8 (Jun23)
- The Bank of Japan (BoJ) 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%.
 - Raised the purchase of 10-Year JGB by 50bps to 1.00% through fixed rate operations.
 - Maintained the purchase of exchange traded funds and Japan real estate investment trusts at ¥12trn and ¥180bn, respectively.
 - Maintained the purchase of commercial paper and corporate bonds at pre-pandemic levels i.e., ¥2trn and ¥3trn, respectively.
- Japanese equities closed in the green following the release of strong US corporate earnings data.
- Nikkei 225: 32,759 (WTD: +1.41%) Yen: 141.16 (WTD: -0.40%)



- Eurozone 2Q23 Preliminary Manufacturing PMI 42.7 v 43.5 (e) v 43.4 (Jun23)
- France 2Q23 Preliminary GDP q/q 0.5% v 0.1% (e) v 0.1% (1Q23)
- Germany 2Q23 Preliminary GDP q/q 0.0% v 0.1% (e) v -0.3% (1Q23)
- UK Jun23 Manufacturing PMI y/y 45.0 v 46.0 (e) v 46.5 (Jun23)
- The European Central Bank (ECB) Governing Council met during the week and decided the following:
 - Raised the interest rates on main refinancing operations, the marginal lending facility, and the deposit facility by 25bps to 4.25%, 4.50% and 3.75% respectively.
 - Continue to reinvest the principal payments from maturing securities purchased under the Pandemic Emergency Purchase Programme until at least the end of 2024.
- European markets closed in the green as concerns about future rate hikes by the ECB abated.
- DAX: 16,470 (WTD: +1.81%) Stoxx50: 4,467 (WTD: +1.71%) FTSE100: 7,694 (WTD: +0.40%)



- Jun23 Industrial Profits y/y -8.3% v -12.6% (2Q23)
- Jun23 Industrial Profits YTD y/y -16.8% v -18.8% (May23)
- Chinese stocks ended the week in the green as China vowed more policy action to further support the economy.
- SHSZ300: 3,993 (WTD: +4.47%) SHCOMP: 3,276 (WTD: +3.42%)



- 29 Jul 23 Initial Jobless Claims 221k v 235k (e) v 228k (15 Jul 23)
- 2Q23 Annualised Advance GDP q/q 2.4% v 1.8% (e) v 2.0% (1Q23)
- Jul23 Final UoM Sentiment m/m 71.6 v 72.6 (e) v 72.6 (Jun23)
- The Federal Reserve Open Market Committee met during the week and decided the following:
 - Increased the Federal Funds Rate target range by 25bps to 5.25%-5.50%
 - Maintain rolling over principal payments from Treasury securities exceeding \$60bn/month, while redeeming Treasury coupon securities and bills within the monthly cap.
 - Maintain reinvesting principal payments from agency debt and mortgage-backed securities (MBS) exceeding \$35bn/month into agency MBS.
- US equities ended the week higher following the release of strong US corporate earnings data
- NASDAQ: 14,317 (WTD: +2.02%) S&P 500: 4,582 (WTD: +1.01%)



- Δ US Crude Inventories -600k bbl. (14 Jul 23) v -2,122k bbl. (e) v -708k bbl. (21 Jul 23)
- Δ US Oil Rigs -4; 664 (28 Jul 23) v 669 (21 Jul 23)
- Δ North American Oil Rigs +1; 857 (28 Jul 23) v 856 (21 Jul 23)
 - Oil prices increased during the week as signs of stimulus support from China and increased likelihood of a soft landing for global economies bolstered by global oil demand outlook.
 - WTI: \$80.58 (WTD: +4.55%)
 - Brent Crude: \$84.99 (WTD: +4.84%)



- Precious metals closed the week in the red after data pointing to a resilient US economy soured bets for a dovish tilt in US monetary policy.
 - Gold: \$1,959 (WTD: -0.12%)
 - Platinum: \$966 (WTD: -2.82%)

Oil prices rise amid improved outlook for global oil demand.



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