



**KGORI CAPITAL**  
INVEST WITH PRIDE

14 August 2023

## COMPANY ANNOUNCEMENTS

### Trading Statement



- CA&S announced that its headline earnings per share (HEPS) for the 30 Jun 23 interim period will be 5.70c – 7.20c (19%-24%) higher than the 29.99c HEPS reported for 30 Jun 22 year end.
- CA&S' earnings per share (EPS) for the 30 Jun 23 interim period will be 30.32c (1.06x-1.11x) higher than the 30.32c EPS reported for 30 Jun 22 year end.
- The HEPS increase was driven by growth from operations as well as onboarding of new clients while the EPS increase was driven by a gain on bargain purchase entry of R123.6mn, arising from the Jan23 acquisition of the T&C Group in Namibia.
- Results will be published on or about 28 Aug 23
- P5.20 (YTD: +23.22%) PE: 9.0 PB: 1.6 D/Y: 2.13% Mkt Cap: 2,469.3mn



### Recovery of Fourth Diamond in Excess Of 1,000 carats (ca)

- Lucara announced the recovery of a 1,080.1ca Type Ila top white diamond from its Karowe Mine. The diamond was recovered in the Coarse XRT circuit.
- P5.00 (YTD: -23.06%) PE: 2.6 PB: 0.6 D/Y: 0.00% Mkt Cap: P2,272.9mn



### Interest Distribution Declaration

- PrimeTime announced an interim interest distribution of 6t/linked unit, payable on 31 Aug 23.
- P1.75 (YTD: +9.38%) PE: 7.1 PB: 0.5 D/Y: 8.15% Mkt Cap: P442.0mn



### Results of Annual General Meeting (AGM)

- Shumba announced the results of its 2023 AGM where all resolutions were passed by 95.49% or more votes in favour except:
  - Ordinary resolution 6: Approving the re-election of T Mokhathi as a Director. 63.40% voted in favour while 36.60% voted against.
  - Ordinary resolution 7: Approving the re-election of A Clegg as a Director. 63.40% voted in favour while 36.60% voted against.
  - Ordinary resolution 13: Approving the re-appointment of Grant Thornton as Auditors of the Company. 63.40% voted in favour while 36.60% voted against
- P0.90 (YTD: 0.00%) PE: N/A PB: 2.6 D/Y: 0.00% Mkt Cap: P264.5mn

## LUCARA HY23 RESULTS – LOWER DIAMOND PRICES DRIVE DOWN PROFITS

Income Statement \$'Mn	HY 23	HY 22	% Δ
Revenues	83.9	120.5	(30%)
Operating expenses	(34.9)	(34.9)	-
Royalty expenses	(9.3)	(14.1)	(34%)
Depletion, amortisation and accretion	(8.0)	(10.7)	(25%)
Income from mining operations	32	61	(48%)
Administration	(7.4)	(9.8)	(24%)
Sales and marketing	(1.2)	(1.3)	(4%)
Net finance expense	(2.2)	(1.7)	30%
FX gain/(loss)	(5.9)	(1.0)	517%
Gain on derivative financial instrument	0.5	7.2	(93%)
<b>Net Income before tax</b>	<b>15.4</b>	<b>54.3</b>	<b>(72%)</b>
Current income tax	(0.0)	(0.0)	43%
Deferred income tax	(9.4)	(22.8)	(59%)
<b>Net income/(loss) for the period (PAT)</b>	<b>6.0</b>	<b>31.5</b>	<b>(81%)</b>

Balance Sheet P'Mn	HY 23	HY 22	% Δ
Cash and cash equivalents	26.7	40.8	(35%)
Inventories	40.4	40.9	(1%)
PPE	112.2	81.2	38%
Mineral Properties	250.5	205.6	22%
Credit facility	36.6	-	100%
Equity	266.8	268.6	(1%)

- Revenue -30% reflecting a planned change in product mix beginning in 1Q23 combined with the continuation of weaker diamond prices.
- Royalty expenses -34% in line with revenue decrease.
- PAT -81% driven by reduced revenues.
- No dividends declared.
- P5.00 (YTD: -23.08%)  
PE: 2.6  
PB: 0.6  
D/Y: 0.00%  
Mkt Cap: P2,272.9mn

## REGIONAL

### SOUTH AFRICA

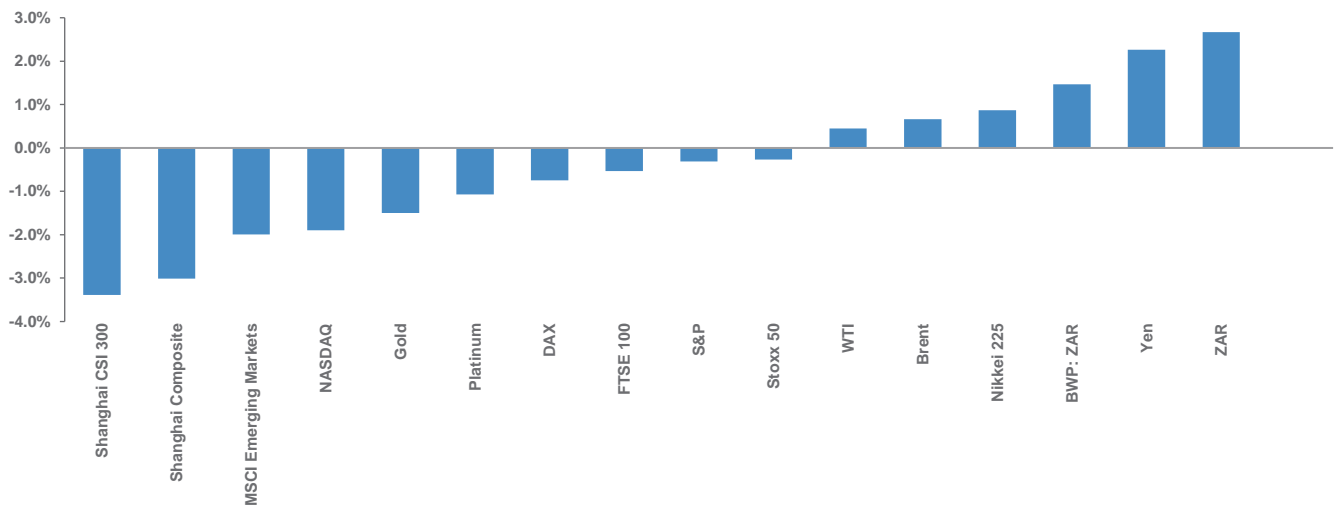
- Jun23 Manufacturing Production m/m 1.2% v 0.7% (e) v -1.3% (May23)
- Jun23 Mining Production m/m 1.3% v 0.5% (e) v -3.8% (May23)
- During the week, Eskom has announced an escalation in evening load shedding to Stage 4

### ZAR PERFORMANCE

- The ZAR weakened against the USD on weak China data.
- ZAR 18.95 (WTD: +2.67%) v 18.45 (28 Jul 23)

**Rand weakens against the US Dollar on weak China data.**

## INTERNATIONAL SNAPSHOT– 11 AUG 23 WEEKLY PERFORMANCE



- Jul23 PPI y/y 3.6% v 3.5% (e) v 4.3% (Jun23)
- Jul23 Preliminary Machine Tool Orders y/y -19.8% v -21.1% (Jun23)
- Japanese equities closed in the green on positive corporate earnings as well as the easing of travel restrictions for Chinese tourists to Japan.
- Nikkei 225: 32,474 (WTD: +0.87%) Yen: 144.96 (WTD: +2.26%)



- Eurozone Jul23 Investor Confidence -18.9 v -24.5 (e) v -22.5 (Jun23)
- France Jul23 Final CPI y/y 4.3% v 4.3% (e) v 4.5% (Jun23)
- Germany Jul23 Final CPI y/y 6.2% v 6.2% (e) v 6.4% (Jun23)
- UK 2Q23 GDP q/q 0.2% v 0.0% (e) v 0.1% (1Q23)
- European markets ended the week with losses on weak economic data from China as well as the release of lower-than-expected corporate earnings reports.
- DAX: 15,832 (WTD: -0.75%) Stoxx50: 4,321 (WTD: -0.27%) FTSE100: 7,524 (WTD: -0.53%)



- Jul23 CPI y/y -0.3% v -0.4% (e) v 0.0% (Jun23)
- Jul23 PPI y/y -4.4% v -4.0% (e) v -5.4% (Jun23)
- Jul23 Trade Balance \$80.6bn v \$70.05bn (e) v \$70.6bn (Jun23)
- Jul23 Exports y/y -14.5% v -13.2 (e) v -12.4% (Jun23)
- Jul23 Imports y/y -12.4% v -5.6 (e) v -6.8% (Jun23)
- Chinese stocks ended the week in the red, following the release of weaker-than-expected economic data.
- SHSZ300: 3,884 (WTD: -3.39%), SHCOMP: 3,189 (WTD: -3.01%)



- 5 Aug 23 Initial Jobless Claims 248k v 230k (e) v 227k (29 Jul 23)
- Jul23 CPI y/y 3.2% v 3.3% (e) v 3.0% (Jun23)
- Jul23 PPI Final Demand y/y 0.8% v 0.7% (e) v 0.1% (Jun23)
- Aug23 Preliminary UoM Sentiment 71.2 v 71.2 (e) v 71.6 (Jun23)
- US equities ended the week lower after PPI data came in above market expectations, heightening investors' concerns that the Fed could keep rates higher for longer.
- NASDAQ: 13,645 (WTD: -1.90%), S&P 500: 4,464 (WTD: -0.31%)



- $\Delta$ US Crude Inventories 5,851k bbl. (4 Aug 23) v 1,887k bbl. (e) v -17,049k bbl. (28 Jul 23)
- $\Delta$ US Oil Rigs -5; 654 (11 Aug 23) v 659 (4 Aug 23)
- $\Delta$ North American Oil Rigs -3; 844 (11 Aug 23) v 847 (4 Aug 23)
  - Oil prices increased during the week amid optimistic demand forecasts from the OPEC producer group and the International Energy Administration.
  - WTI: \$83.19 (WTD: +0.45%)
  - Brent Crude: \$86.81 (WTD: +0.66%)



- Precious metals closed the week in the red due to a stronger dollar.
  - Gold: \$1,914 (WTD: -1.50%)
  - Platinum: \$916 (WTD: -1.07%)

---

# Oil prices rise on demand expectations.

---



**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](http://www.kgoricapital.com)

**Directors** KI Melamu, AM Ndzinge, S Noor,  
MS Sibanda, AA Wellio-Moyo

**Reg No** BW00000988897

