



KGORI CAPITAL
INVEST WITH PRIDE

4 September 2023

COMPANY ANNOUNCEMENTS



Chief Executive Officer (CEO) Resignation

- Minergy announced the resignation of M du Plessis as CEO effective 30 Nov 23 when his notice period comes to an end.
- Minerals Development Company Botswana (MDCB) and Minergy have agreed on the secondment of MDCB's Chief Technical Officer, M Bagopi to Minergy Coal effective 1 Sep 23 to ensure augmented management capacity at the mine and ensure business continuity.
- P0.40 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: 188.0mn



Re-election of Directors, Dealing in Securities by a Director, and Notice of Closed Period

- Re-election of Directors
 - Chobe announced the re-election of K Ledimo, J Nganunu-Macharia, J Gibson and S Fernando as Directors.
- Dealing in Securities by a Director
 - Chobe announced that during the month of Aug23 L Odumetse bought 1,203 shares at P11.15t/share and 2,432 shares at 14.76t/share.
- Notice of Closed Period
 - Chobe announced that it has begun preparing results for the 31 Aug 23 half-year period and has declared a closed period from 1 Sep 23 until results are published in mid Nov23.
- P14.76 (YTD: +86.60%) PE: 12.6 PB: 3.6 D/Y: 4.07% Mkt Cap: 1,320.1mn



End of Closed Period, Resignation of Director

- End of Closed Period
 - Letshego announced the end of its closed period, effective 28 Aug 23 following the publication of its 30 Jun 23 interim results.
- Resignation of Director
 - Letshego announced the resignation of G van Heerde as a Non-Independent Non-Executive Director with effect from 30 Aug 23.
- P1.27 (YTD: +1.60%) PE: 6.3 PB: 0.5 D/Y: 11.65% Mkt Cap: P2,762.3mn



Notice of Annual General Meeting (AGM)

- SeedCo announced that it will host its 2023 AGM virtually, on 20 Sep 23 at 12.30pm. Shareholders will vote on:
 - Approving 31 Mar 23 financial statements together with the Directors and Auditors' reports thereon.
 - Approving the 0.25c/share distribution of dividend for the year ended 31 Mar 23.
 - Noting the retirement of M Ndoro and D Long.
 - Approving the re-elections of C Kabaghe, F Savin, P de Wet and K Moswela as Directors.
 - Approving the remuneration paid to Directors for the year end 31 Mar 23 amounting to \$291,101.
 - Approving the remuneration of \$123,887 paid to Ernst & Young (EY) for the past annual audit.
 - Approving the re-appointment of EY as its auditors for the current year.
- P2.60 (YTD: -3.70%) PE: 26.5 PB: 0.9 D/Y: 1.28% Mkt Cap: P1,023.5mn

Notice of Annual General Meeting (AGM)



- Botswana Telecommunications Corporation announced that it will host its 2023 AGM at Boipuso Hall, Fairgrounds Holdings in Gaborone, on 26 Sep 23 at 9am. Shareholders will vote on:
 - Approving 31 Mar 23 financial statements together with the Directors and Auditors' reports thereon.
 - Approving the 6.71t/share final dividend.
 - Approving the re-elections of T Pheko and B Molomo as Directors.
 - Approving the re-elections of R De Silva, B Molomo, T Pheko and A Johnson as members of the Audit and Risk Committee.
 - Approving the remuneration paid to Directors for the year end 31 Mar 23.
 - Approving the remuneration paid to Deloitte & Touche for the 31 Mar 23 audit.
 - Approving the re-appointment of Deloitte & Touche as its auditors for the ensuing year.
- P0.80 (YTD: +3.90%) PE: 7.8 PB: 0.4 D/Y: 8.39% Mkt Cap: P840.0mn

Trading Statement



- Cresta announced that its Profit Before Tax (PBT) for the 30 Jun 23 interim period will be P1.5mn-P2.0mn (25%-35%) higher than the P5.9mn PBT reported for 30 Jun 22 interim period.
- The improvement in performance is predominantly due to Cresta leveraging the continuous recovery of the tourism and hospitality industry from the Covid-19 headwinds and cost optimisation focus.
- Results will be released by 30 Sep 23.
- P1.02 (YTD: +7.37%) PE: 9.8 PB: 1.3 D/Y: 0.00% Mkt Cap: P188.3mn

Cautionary Announcement



- ABSA announced that its Profit Before Tax (PBT) for the 30 Jun 23 interim period will be P39mn-P79mn (10%-20%) higher than the P395mn PBT reported for the 30 Jun 22 interim period.
- Results will be released on 14 Sep 23.
- P6.09 (YTD: +18.02%) PE: 7.7 PB: 1.8 D/Y: 6.57% Mkt Cap: 5,189.7mn

Appointment of Non-Executive Director



- Choppies announced the appointment of A Mogajane as its Non-Executive Director
- Mr Mogajane is currently the Director & Chief Executive Officer of the Moti Group of Companies.
- P0.50 (YTD: -23.08%) PE: 8.4 PB: N/A D/Y: 0.00% Mkt Cap: P912.2mn

Share Capital and Voting Rights Update



- Lucara announced the issuance of 450,000 common shares to Nemesia S.a.r.l as consideration for providing a Liquidity Guarantee of up to \$15.0mn.
- The number of issued and outstanding shares of Lucara has increased to 455,028,873 common shares, effective 31 Aug 23.
- P5.00 (YTD: -23.08%) PE: 2.6 PB: 0.6 D/Y: 0.00% Mkt Cap: P2,272.9mn

Notice of Closed Period



- PrimeTime announced that it has begun preparing results for the 31 Aug 23 year end period and has declared a closed period from 1 Sep 23 until results are published by 30 Nov 23.
- P1.75 (YTD: +9.38%) PE: 7.1 PB: 0.5 D/Y: 8.15% Mkt Cap: P442.0mn

End of Closed Period



- BIHL announced the end of their closed period on 30 Aug 23 following the publication of their 30 Jun 23 interim results.
- P19.65 (YTD: +10.95%) PE: 7.3 PB: 1.5 D/Y: 13.59% Mkt Cap: P5,548.6mn

Trading Statement



- Access announced that its Profit Before Tax (PBT) for the 30 Jun 23 interim period will be P17.2mn-P21.5mn (50%-60%) lower than the P43mn PBT reported for the 30 Jun 22 interim period.
- The performance decline is due to the bank's investments in expansion and customer service enhancements as part of its transformation and growth initiatives.

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- Results will be released by 30 Sep 23.
 - P2.04 (YTD: +0.99%) PE: 180.2 PB:1.4 D/Y: 11.23% Mkt Cap: P1,479.0mn
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Monetary Policy Report (MPR)

- The Bank of Botswana published the Aug 23 Monetary Policy Report. Salient points are as follows:
 - Inflation is expected to remain below 3% in the short term, before reverting back within 3-6% objective range in 1Q24.
 - The BoB expects growth to moderate in 2023. Growth projections for 2023 and 2024 are 3.8% and 4.4% respectively. Growth in 2024 will be spurred on by recovery in mining activity. Non-mining growth is also expected to perform better in 2024 due to improvements in utility supplies (water and electricity), reforms to the business environment, implementation of both the Economic Recovery & Transformation Plan (ERTP) and two-year Transitional National Development Plan as well as improved performances in the finance, insurance and pension fund sectors. Furthermore, the recently agreed upon sales agreement between the Government of Botswana and De Beers Group is also expected to be positive for medium term growth.
 - Although revised upwards for the short-medium term due to supply side constraints (Russia-Ukraine war, extension of OPEC production cuts etc.), international oil prices are expected to generally trend downwards owing mainly to a weakening global demand outlook.
 - International food prices are expected to trend upwards in the medium-term due to an anticipated surge in global grain prices following Russia's decision to pull out of the Black Sea grain deal.



Introduction of Regulatory Fees

- Botswana Energy Regulatory Authority announced that it will be introducing regulatory fees effective 1 Sep 23. The new usage fees are as follows:
 - Electricity: 0.98t/KWh
 - Petroleum (diesel and petrol): 3.85t/l
 - Liquefied Petroleum Gas: 4.31t/kg
- Furthermore, Electricity License Application and Petroleum and Gas Application fees will range from P1,000 to P30,000 depending on plant size and activity.



LETSHEGO HY23 RESULTS – TOUGH OPERATING ENVIRONMENT REDUCES PROFITS

| Income Statement P'Mn | HY 23 | HY 22 | % Δ |
|---|--------------|--------------|--------------|
| Interest Income | 1,570 | 1,599 | (2%) |
| Interest expense | (674) | (675) | (0%) |
| Other Interest expense | (5) | (7) | (29%) |
| Net interest income | 891 | 918 | (3%) |
| Other Operating income | 180 | 161 | 11% |
| Fee & commission income | 31 | 44 | (29%) |
| Operating Profit | 1,102 | 1,123 | (2%) |
| Expected credit loss | (74) | (81) | (9%) |
| Net operating income | 1,028 | 1,042 | (1%) |
| Employee costs | (263) | (282) | (7%) |
| Other operating expenses | (350) | (362) | (3%) |
| Profit before net foreign exchange gains or losses | 416 | 399 | 4% |
| Net foreign exchange gains | 1 | 47 | (98%) |
| Profit before taxation | 417 | 446 | (7%) |
| Tax | (198) | (198) | 0% |
| Profit for the period | 219 | 248 | (12%) |
| Balance Sheet extract P'Mn | HY 23 | HY 22 | % Δ |
| Cash and cash equivalents | 1 070 | 1 317 | (19%) |
| Advances | 12 849 | 12 200 | 5% |
| Customer Deposits | 1 337 | 1 164 | 15% |
| Borrowings | 8 278 | 7 889 | 5% |
| Equity | 5 489 | 5 590 | (2%) |

- Net Interest income -3% driven by high interest rate environment in countries of operation.
- Non-funded income +3% y/y on the back of growth in income from insurance products.
- Employee costs -7% and other operating expenses -3% declined as the effects of the cost rationalization incentive began to show.
- PAT -12% due mainly to high interest rate environment.
- Interim dividend of 5.1t/share declared, payable 30 Nov 23.
- P1.27 (YTD: +1.60%)
PE: 6.3
PB: 0.5
D/Y: 11.65%
Mkt Cap: P2,762.3mn

CA SALES HY23 RESULTS – ACQUISITIONS DRIVE UP PROFITS

| Income Statement R'Mn | HY 23 | HY 22 | % Δ |
|---|------------|------------|-------------|
| Revenue | 5 245 | 4 283 | 22% |
| Cost of sales | (4 458) | (3 658) | 22% |
| Gross Profit | 787 | 625 | 26% |
| Other operating income | 148 | 17 | 755% |
| Other operating expenses | (548) | (427) | 28% |
| Net impairment gains/(losses) on financial assets | (3) | (1) | 286% |
| Operating Profit | 384 | 215 | 79% |
| Associate profit | 3 | 6 | (53%) |
| EBIT | 387 | 221 | 75% |
| Finance income | 20 | 7 | 179% |
| Finance costs | (18) | (16) | 14% |
| PBT | 389 | 212 | 84% |
| Tax | (84) | (66) | 28% |
| Profit for the period (PAT) | 305 | 146 | 109% |
| Balance Sheet extract R'Mn | HY 23 | HY 22 | % Δ |
| Cash and cash equivalents | 859 | 661 | 30% |
| Inventory | 765 | 636 | 20% |
| PPE | 771 | 636 | 21% |
| Intangibles | 515 | 512 | 0% |
| Payables | 1 282 | 1 067 | 20% |
| Borrowings | 652 | 621 | 5% |
| Equity | 2 442 | 1 881 | 30% |

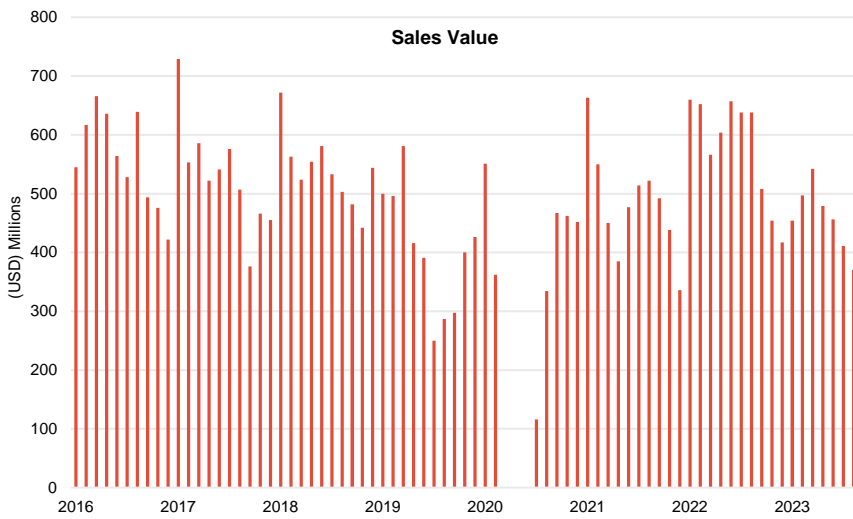
- Revenue +22%, driven by organic growth, acquisitions, expansion into new regions as well as the on-boarding of new clients to the group's portfolio.
- Operating profits +79% due to strong top line growth and the gain on bargain purchase entry from Jan23 acquisition of T&C Group in Namibia
- PAT rose 1.1x driven by the rise in revenue, gain on bargain purchase, an increase in profits from associates and finance income.
- No interim dividend declared.
- P5.20 (YTD: +23.22%)
PE: 6.3
PB: 1.4
D/Y: 2.13%
Mkt Cap: P2,469.3mn

BIHL HY23 RESULTS – SALE OF FSG DRIVES UP PROFITS

| Income Statement P'Mn | HY 23 | HY22 | % Δ |
|---|------------|------------|------------|
| Net insurance service result | 69 | 90 | (23%) |
| Investment service result | 253 | 74 | 240% |
| Net result from life insurance operations | 322 | 164 | 96% |
| Net investment income | 55 | 38 | 45% |
| Revenue from contracts with customers | 75 | 68 | 11% |
| Administration expenses | (84) | (61) | 38% |
| Finance cost on leases | (0) | (0) | 21% |
| Profit before share of profit of associates, joint ventures and other income | 369 | 209 | 77% |
| Share of profit of associates and joint ventures | 129 | 117 | 10% |
| Profit on sale of associate | 142 | 0 | 100% |
| Profit before Tax | 640 | 326 | 96% |
| Tax | (145) | (76) | 90% |
| Profit for the period | 495 | 250 | 98% |
| Balance Sheet extract P'Mn | HY 23 | HY22 | % Δ |
| Cash and cash equivalents | 280 | 141 | 99% |
| Associates & JVs | 1 948 | 1 849 | 5% |
| Financial assets FVTPL | 14 847 | 15 347 | (3%) |
| Insurance contract liabilities | 7 012 | 6 795 | 3% |
| Investment contract liabilities | 3 506 | 3 178 | 10% |
| Equity | 3 802 | 3 779 | 1% |

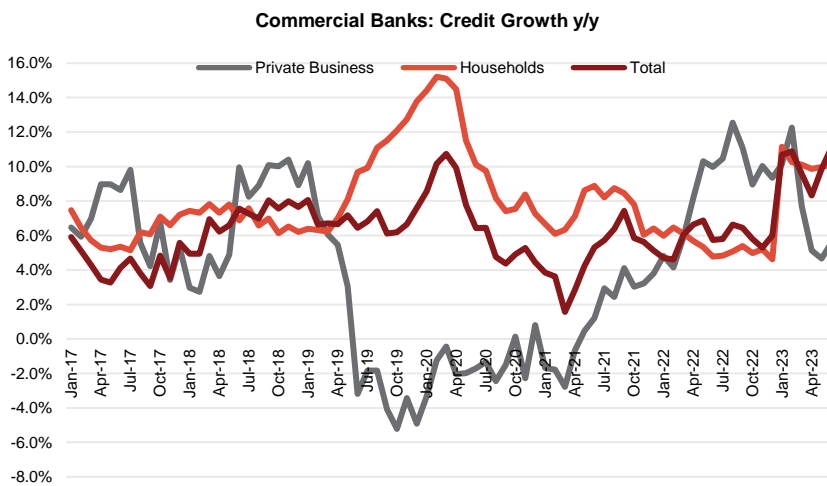
- Net result from life insurance operations +96%, driven by higher investment returns earned during the half year owing to positive fair value gains across assets backing insurance contracts and IFRS 9 Investment Contract
- Share of profit of associates and joint ventures +10%, due to the strong performance of the Nico Holdings Group.
- PBT +96%, driven by an increase in profits and the sale of FSG (Profit on sale of associate).
- 70t/share Interim dividend declared as well as a 7t/share special dividend declared, payable 20 Oct 23.
- P19.65 (YTD: +10.95%)
PE: 7.3
PB: 1.5
D/Y: 13.59%
Mkt Cap: P5,548.6mn

DE BEERS (DB) CYCLE 7 SALES 2023 – DIAMOND SALES SLOW DOWN



- DB Cycle 7 2023 Sales \$370mn v \$638mn (Cycle 7 2022) v \$411mn (Cycle 6 2023)
- Sales contracted 10.0% c/c and 42.0% y/y.
- Sight-holders continued to take a cautious approach towards diamond purchases due to softer end client demand for diamond jewellery caused by the current economic environment and the traditionally lower levels of midstream trading during the summer period.

MAY23 CREDIT GROWTH (CG) – CREDIT GROWTH PICKS UP



- Jun23 CG y/y 11.1% v 9.9% (May23) vs 5.7% (Jun22)
 - Increase in total credit due to a rise in credit uptake by both private businesses and parastatals.
- Jun23 Private Business CG y/y 5.6% v 4.7% (May23) v 10.0% (Jun22)
 - Increase was driven by rises in credit uptake in the Mining and Real Estate sectors.
- Jun23 Household CG y/y 10.1% v 10.0% (May23) v 4.8% (Jun22)
 - Uptick due to increases in Property, Motor vehicle and Credit Cards credit categories.

REGIONAL

SOUTH AFRICA

- Jul23 Trade Balance R16.0bn v -R1.3bn (e) v -R4.7bn (Jul23)
- Jul23 Manufacturing PMI 49.7 v 47.6 (e) v 47.3 (Aug23)
- Eskom implemented Stage 4 of load shedding citing the loss of additional generational units during the week.

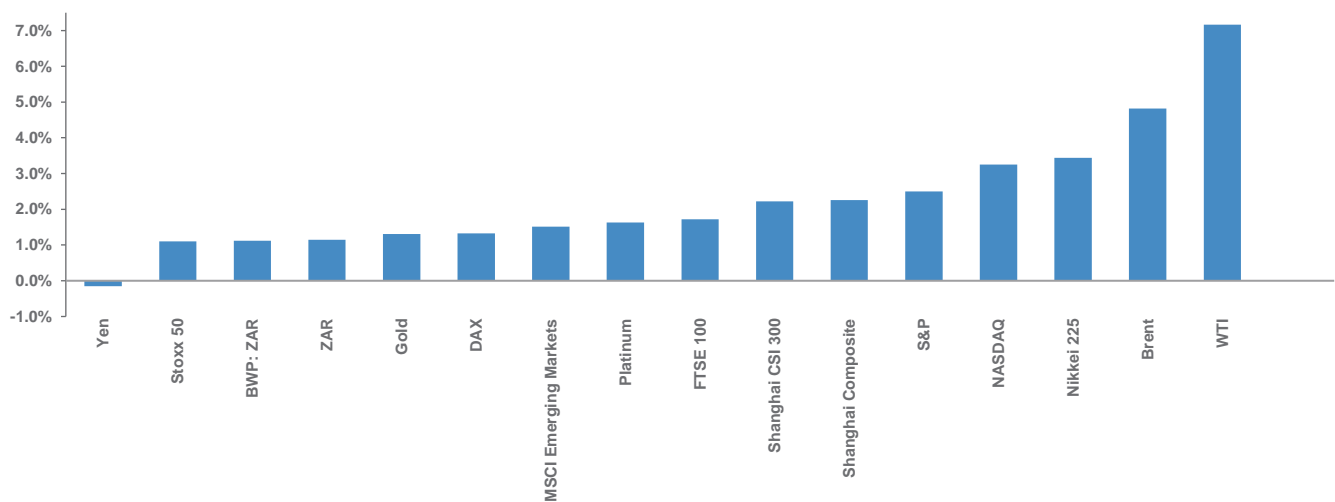
ZAR PERFORMANCE

- The ZAR weakened against the USD following the release of economic data showing the government ran a record budget deficit.
- ZAR 18.84 (WTD: +1.15%) v 18.63 (25 Aug 23)

Rand weakens against the US Dollar on economic data.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 01 SEPT 23 WEEKLY PERFORMANCE





- Aug23 Final Manufacturing PMI 49.6 v 49.7 (Jul23)
- Jul23 Preliminary Industrial Production m/m -2.0% v -1.4% (e) v 2.4% (Jun23)
- Jul23 Jobless Rate m/m 2.7% v 2.5% (e) v 2.5% (Jun23)
- Jul23 Retail Sales m/m 2.1% v 0.8% (e) v -0.6% (Jun23)
- Japanese equities closed in the green as investors expect the Fed to forgo more rate increases this year as labor market pressures in the US eased.
- Nikkei 225: 32,711 (WTD: +3.44%), Yen: 146.22 (WTD: -0.15%)



- Eurozone Aug23 Estimate CPI y/y 5.3% v 5.1% (e) v 5.3% (Jul23)
- France Aug23 Preliminary CPI y/y 4.8% v 4.6% (e) v 4.3% (Jul23)
- Germany Aug23 Preliminary CPI y/y 6.1% v 6.0% (e) v 6.2% (Jul23)
- UK Aug23 Final Manufacturing PMI 43.0 v 42.5 (e) v 42.5 (Jul23)
- European markets ended the week with gains following the release of US jobs data which indicated that the Fed may pause further rate hikes.
- DAX: 15,840 (WTD: +1.33%), Stoxx50: 4,283 (WTD: +1.10%), FTSE100: 7,465 (WTD: +1.72%)



- Aug23 Official Manufacturing PMI 49.7 v 49.2 (e) v 49.3 (Jul23)
- Aug23 Caixin Manufacturing PMI 51.0 v 49.0 (e) v 49.2 (Jul23)
- Chinese stocks ended the week in the green, after the government unveiled plans to boost the country's property sector and broader economy.
- SHSZ300: 3,791 (WTD: +2.22%), SHCOMP: 3,133 (WTD: +2.26%)



- 26 Aug 23 Initial Jobless Claims 228k v 235k (e) v 232k (19 Aug 23)
- Aug23 Final Manufacturing PMI 47.9 v 47.0 (e) v 47.0 (Jul23)
- Aug23 ΔNon-Farm Payrolls 187k v 170k (e) v 157k (Jul23)
 - Unemployment rate 3.8% v 3.5% (e) v 3.5% (Jul23)
- US equities ended the week higher following the latest jobs and economic data suggesting that the Fed will pause further interest rate hikes.
- NASDAQ: 14,032 (WTD: +3.25%), S&P 500: 4,516 (WTD: +2.50%)



- Δ US Crude Inventories -10,584k bbl. (25 Aug 23) v -1,596k bbl. (e) v -6,134k bbl. (18 Aug 23)
- Δ US Oil Rigs -1; 631 (01 Sep 23) v 632 (25 Aug 23)
- Δ North American Oil Rigs -4; 818 (01 Sep 23) v 822 (25 Aug 23)
 - Oil prices were up over the week due to aggressive OPEC supply cuts.
 - WTI: \$85.55 (WTD: +7.17%)
 - Brent Crude: \$88.55 (WTD: +4.82%)



- Precious metals closed the week in the green due to a weaker dollar.
 - Gold: \$1,940 (WTD: +1.31%)
 - Platinum: \$964 (WTD: +1.63%)

Oil prices increase driven by OPEC supply cuts.



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