



KGORI CAPITAL
INVEST WITH PRIDE

11 December 2023

COMPANY ANNOUNCEMENTS

Note Issuance and Name Change



- Note Issuance
 - Letshego announced the issuance of 6 new senior unsecured notes, with fixed interest rates ranging from 8% to 10.70% with a nominal value P154.1mn, under its existing P2.5bn medium term note programme.
 - 3 of the new notes mature in Nov26, the other remaining 3 notes mature in Jun24, Nov30 and Nov33 respectively.
- Name Change
 - Letshego announced the launch of the change of name of the company from Letshego Holdings Limited to Letshego Africa Holdings Limited.
 - Furthermore, Letshego announced that it is initiating an annual Letshego Africa Day, on the first Friday of every December to celebrate, share and promote values of Letshego.
- P1.25 (YTD: 0.00%) PE: 0.5 PB: 6.2 D/Y: 11.84 Mkt Cap: P2,718.8mn



Circular To Linked Unit Holders

- LLR issued a circular to Linked Unit Holders, outlining proposed amendments to the company's Constitution and Debenture Trust Deed, along with the appointment of O Britz as its new Debenture Trustee.
- P2.64 (YTD: -24.14%) PE: 7.3 PB: 0.8 D/Y: 7.48% Mkt Cap: P739.2mn



Listing of Additional Shares

- CAS announced that it issued 510,904 new no par value ordinary shares in terms of an acquisition issue between its subsidiaries, Pamstad, Smithshine and minority shareholder of Smithshine, Vikas Mehta (the Seller).
- CAS announced that Pamstad agreed to purchase 5% of the issued share capital of Smithshine from the seller and that CAS will acquire a loan claim from Pamstad in exchange for the issue of CAS shares to the seller.
- Following the issue of 510,904 new shares, CAS total issued share capital consists of 475,380,961 shares of no par value.
- P6.22 (YTD: +47.39%) PE: 7.6 PB: 1.7 D/Y: 1.78% Mkt Cap: P2,956.9mn



Notice Shareholders

- Turnstar advised shareholders who are still holding physical share certificates and paid by cheque to dematerialize their shares with their respective brokers and open a CSDB account as well as provide banking details for purposes of distributing payments by the company.
- P2.09 (YTD: +18.08%) PE: 13.7 PB: 0.7 D/Y: 9.09% Mkt Cap: P1,195.8mn



Trading Statement

- BTCL announced that its Profit Before Tax (PBT) for the 30 Sep 23 interim period will be P66.0mn-P70.0mn (260%-275%) higher than the P25mn PBT reported for 30 Sep 22 interim period.
- Results will be released by 31 Dec 23.
- P0.83 (YTD: +7.79%) PE: 8.0 PB: 0.4 D/Y: 8.08% Mkt Cap: P871.5mn



Small Related Party Transaction

- PrimeTime has disclosed a related party transaction involving the consolidation of asset and property management agreements with Time A&PM into one, effective 1 Sep 23.
- The revised agreement maintains key terms but modifies fees and refines KPIs to align with current service expectations.
- Adjustments include unchanged property management fees, a 5% admin fee for center management, and a 0.75% rebased Asset Management fee.
- The revised agreement is classified as a related party transaction, with the fee increase treated as a small-related party transaction.
- Grant Thornton has confirmed the fairness and reasonableness of the revised terms, and unitholder approval is not required for this transaction.
- P1.74 (YTD: +8.75%) PE: 5.3 PB: 0.5 D/Y: 6.65% Mkt Cap: P439.5mn



Termination of Nominated Transfer Secretaries (NTS)

- Sefalana notified shareholders that Transaction Management Services PTY LTD t/a Corpserve Botswana transfer secretaries will no longer serve as their NTS. Shareholders are advised to contact the company directly for any enquiries at investors@sefalana.com.
- P11.46 (YTD: +18.63%) PE: 9.6 PB: 1.2 D/Y: 6.28% Mkt Cap: P2,873.3mn



Dec23 Monetary Policy Committee (MPC) Decision

- The Bank of Botswana MPC decided to reduce the Monetary Policy Rate (MoPR) by 25bps to 2.40% from 2.65%, at its 7 Dec 23 meeting.
- The MPC cut the MoPR with inflation projected to remain within the BoB's 3-6% objective range in the medium term.
- The BoB adjusted their annual average inflation forecasts for 2023 and 2024 downwards by 30bp for both years to 5.2% and 4.9% respectively.
- The Central Bank's decision to cut interest rates is based on the outlook that inflation expectations are well anchored with demand-driven inflationary pressures unlikely in the short term as the economy continues to operate below full capacity

SEEDCO HY23 RESULTS – LOSSES DECLINE ON HIGHER SALES

Income Statement \$ Mn	HY 23	HY 22	% Δ
Revenue	31.3	25.5	23%
Cost of sales	(16.1)	(14.2)	13%
Gross Profit	15.2	11.3	35%
Other Income and gains	1.4	1.1	27%
Operating expenses	(15.3)	(15.0)	2%
Operating profit	1.3	(2.6)	150%
Finance costs	(3.4)	(1.4)	143%
Shares of results of associate and joint venture	(1.4)	(0.5)	180%
Profit before taxation	(3.5)	(4.5)	(22%)
Tax	(0.4)	0.2	(300%)
Loss for the period (PAT)	(3.9)	(4.3)	(9%)
Balance Sheet extract \$ Mn	HY 23	HY 22	% Δ
Cash and cash equivalents	18.0	19.2	(6%)
Trade and other receivables	48.7	54.9	(11%)
Plant Property & Equipment (PPE)	37.4	38.8	(4%)
Trade and other payables	21.4	21.4	-
Borrowings	54.7	46.2	18%
Equity	77.9	86.3	(10%)

- Revenue +23% on the back of volume growth, better product mix and maize sales booked in Kenya, Malawi, Mozambique, Tanzania and Zambia supported by firm grain prices.
- Operating profit +1.5x driven by improved margins and containment of overheads.
- Net Finance Costs + 1.4x due to higher interest rates and more local borrowings.
- Losses for the period -9% due to higher finance costs and FX losses from share of associates.
- Borrowings +18% due debt update to fund working capital needs.
- P3.50 (YTD: +29.63%)
PE: 31.3
PB: 1.3
D/Y: 0.95%
Mkt Cap: P1,377.8mn

BHC HY23 RESULTS – HIGHER REVENUES BOLSTERS PROFITS

Income Statement P Mn	HY 23	HY 22	% Δ
Revenue and rental income	273	251	9%
Cost of Sales	(90)	(105)	(15%)
Gross Profit	183	146	25%
Repairs and maintenance	(22)	(31)	(29%)
Employee benefit expenses	(79)	(70)	13%
Depreciation & amortisation	(18)	(22)	(18%)
Other expenses	(38)	(37)	4%
Impairment	(13)	2	(826%)
Other income	5	1	313%
Gain on investment property sales	13	10	26%
Operating profit	31	(0)	(7 020%)
Finance income	18	15	19%
Finance costs	(19)	(18)	10%
Share of profit on joint ventures	10	9	8%
Profit before tax	39	6	584%
Tax	(10)	(2)	370%
Profit for the period (PAT)	29	4	713%
Balance Sheet extract P Mn	HY 23	HY 22	% Δ
Cash and cash equivalents	863	906	(5%)
Housing inventories	478	454	5%
Investment properties	1 279	1 341	(5%)
Borrowings	550	575	(4%)
Equity	1 648	1 600	3%

- Revenue +9% on the back of increased rental and sales revenue as well as Capacitation fees and professional fees.
- Repairs and maintenance -29% driven by delays in implementation of planned maintenance activities for the period.
- Finance costs +10% because of slow down in project activities and loan interest not being capitalized to projects.
- PAT +7.1x due to higher revenue, higher finance income and reduction in repairs and maintenance.
- Cash and cash equivalents -5% y due to re-payment of long-term borrowings and contract liabilities.
- Investment properties -5% due to the sale of some investment properties and depreciation
- Housing inventories +5% because of on-going projects

REGIONAL

SOUTH AFRICA

- 3Q23 GDP q/q -0.2% v 0.0% (e) v 0.5% (2Q23)
- 4Q23 Consumer Confidence -17 v -16 (3Q23)
- During the week Eskom reduced load shedding to stage 3 and stage 4 in order to manage emergency reserves.

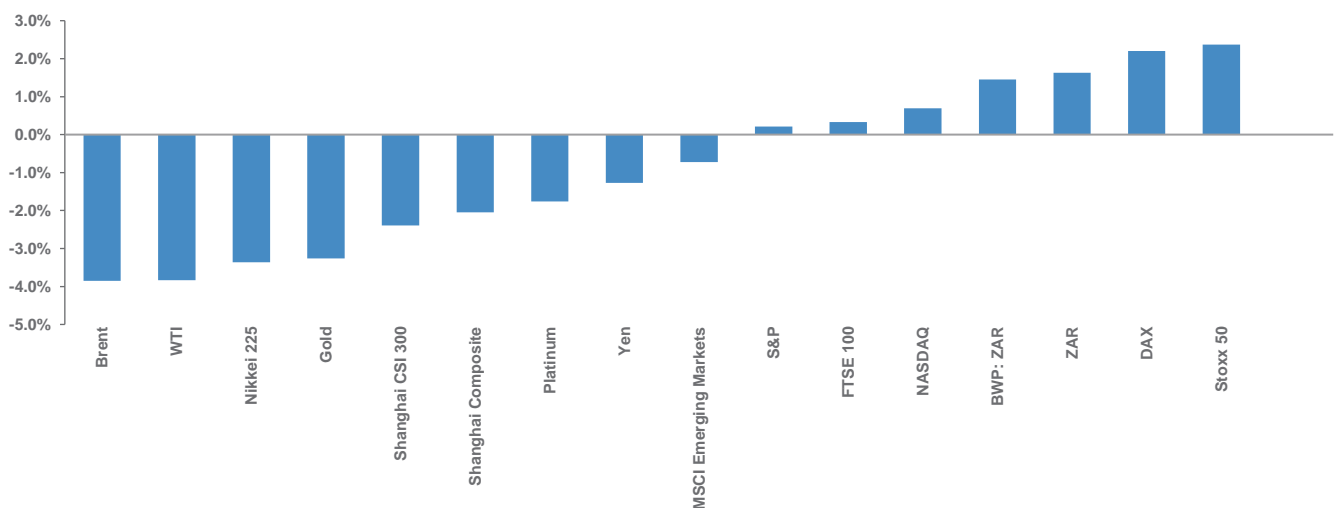
ZAR PERFORMANCE

- The ZAR weakened against the USD after a surge in U.S. payrolls gains dampened hopes of an early interest rate cut by the Fed.
- ZAR 18.96 (WTD: +1.63%) v 18.65 (1 Dec 23)

Rand weakens against the US Dollar.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 8 DEC 23 WEEKLY PERFORMANCE





- 3Q23 Final GDP q/q -0.7% v -0.5% (e) v 0.9% (2Q23)
- Nov23 Final Composite PMI 49.6 v 50.0 (Oct23)
- Japanese stocks ended the week in as red weaker than expected Japan GDP numbers stoked investor pessimism on stocks.
- Nikkei 225: 32,308 (WTD: -3.36%). Yen: 144.95 (WTD: -1.27%)



- Eurozone 3Q23 Final GDP q/q -0.1% v -0.1% (e) v 0.1% (2Q23)
- France Oct23 Industrial Production m/m 0.1% v 0.2% (e) -0.6% (Sep23)
- Germany Oct23 Industrial Production m/m -0.4% v 0.2% (e) v -1.3% (Sep23)
- UK Nov23 Final Composite PMI 50.7 v 50.1 (e) v 48.7 (Oct23)
- European markets concluded the week in the green thanks to the more dovish discourse from the European Central Bank and US Federal Reserve..
- DAX: 16,759 (WTD: +2.21%). Stoxx50: 4,523 (WTD: +2.37%). FTSE100: 7,554 (WTD: +0.33%)



- Nov23 Trade Balance \$68.39bn v \$54.9bn (e) v \$56.53bn (Oct23)
- China stocks closed the week in the red on the back of Moody's cutting China's credit outlook to negative increased investors' negative outlook on over China's fragile economic recovery.
- SHSZ300: 3,399 (WTD: -2.40%). SHCOMP: 2,970 (WTD: -2.05%)



- 2 Dec 23 Initial Jobless Claims 220k v 220k (e) v 219k (25 Nov 23)
- Dec23 Preliminary UoM Sentiment 69.4 v 62.0 (e) v 61.3 (Nov23)
- Nov23 ΔNon-Farm Payrolls 199k v 185k (e) v 150k (Oct23)
 - Unemployment rate 3.7% v 3.9% (e) v 3.9% (Oct23)
 - Labour Force Participation Rate 62.8% v 62.7% (e) v 62.7% (Oct23)
- US equities ended the week in the green as a strong US jobs report firmed up investor confidence that US the economy will be able to avoid a recession.
- NASDAQ: 14,404 (WTD: +0.69%). S&P 500: 4,604 (WTD: +0.21%)

COMMODITIES



- ΔUS Crude Inventories -4,633k bbl (01 Dec 23) v -774k bbl (e) v 1,610k bbl (24 Nov 23)
- ΔUS Oil Rigs -1; 626 (08 Dec 23) v 625 (01 Dec 23)
- ΔNorth American Oil Rigs -3; 820 (08 Dec 23) v 817 (01 Dec 23)
 - Oil prices closed the week in the red as weak Chinese demand dented outlook for global oil demand as well as global oil oversupply fears.
 - WTI: \$71.23 (WTD: -3.83%)
 - Brent Crude: \$75.84 (WTD: -3.85%)



- Precious metals closed the red due to a stronger US Dollar.
 - Gold: \$2,005 (WTD: -3.26%)
 - Platinum: \$921 (WTD: -1.76%)

Oil prices decline amid weak Chinese demand and global oil oversupply fears.



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