



KGORI CAPITAL
INVEST WITH PRIDE

18 March 2024

COMPANY ANNOUNCEMENTS

Karowe Underground Project



- Lucara released an updated feasibility study on its Underground Expansion Project (UPG) at the Karowe Diamond mine. Salient points are as follows:
 - UGP is expected to extend mine life by additional 15 years with a total life of mine diamond recoveries of 6.8mn carats.
 - Pre-production capital costs for the UPG totalling \$683m, to be expended over an 8-year period until H2 27 of which 3 and half years have already been successfully completed.
 - The UPG is projected to generate \$1.1bn in cashflow.
 - The project is fully financed as announced on Jan 24 when the company amended its debt package which was originally entered in 2021.
 - The amended facilities consist of a project loan of \$190m (prev. \$170m) to fund the UPG, and a \$30m (prev. \$50m) senior secured working capital facility to support ongoing operations along with operating cash flow from Karowe open pit
- P3.90 (YTD: 0.00%) PE: N/A PB: 0.6 D/Y: 0.0% Mkt Cap: P1,786.5mn

Trading Statement



- BIHL announced that its profit before tax (PBT) for the 31 Dec 23 year end will be P500mn-P555mn (85%-95%) higher than the restated PBT of P553mn for the year ended 31 Dec 22, but P294m to P349m (35% to 45%), higher than the previously reported PBT of P759mn for 31 Dec 22 year end.
- BIHL announced the adoption of a new IFRS 17 accounting standard in 2023, that led to the retrospective change and restatement of previously recorded PBT for the year ended 31 Dec 22 from P759m to P553m.
- Results will be published during the week ending 29 Mar 24.
- P20.15 (YTD: +0.70%) PE: 7.5 PB: 1.5 D/Y: 13.25% Mkt Cap: P5,740.1mn

Changes to the Board



- Capricorn Group announced the appointment of Mr D Nuyoma as a Non-Executive director of Bank Windhoek with effect from 13 Mar 24.
- On the same date, Mr T Prinsloo retired from the board of Bank Windhoek.
- Mr Nuyoma was recently appointed Group CEO and executive director of Capricorn Group, effective 1 Mar 24.

Trading Update



- RDCP announced that its profit before tax (PBT) for the 31 Dec 23 year end will be P14.7mn-P35.6mn (30%-40%) lower than the P208.9mn PBT reported for 31 Dec 22 year end.
- Results will be published by 31 Mar 24
- P2.40 (YTD: 0.00%) PE: 13.4 PB: 0.6 D/Y: 1.78% Mkt Cap: P1,819.8mn

Cash Dividend Finalisation Announcement



- Choppies announced that their declared interim gross dividend of 1.6t/share, net of withholding taxes of 10% shall be 1.44t/share for shareholders registered on the BSE.
- In respect of shareholders registered on the JSE, the gross dividend payable is 2.19792c/share.

- Dividend payment date is 16 Apr 2024.
- P0.48 (YTD : 0.00%) PE: 5.2 PB: 7.2 D/Y: 3.33% Mkt Cap: P875.7mn

Trading Statement



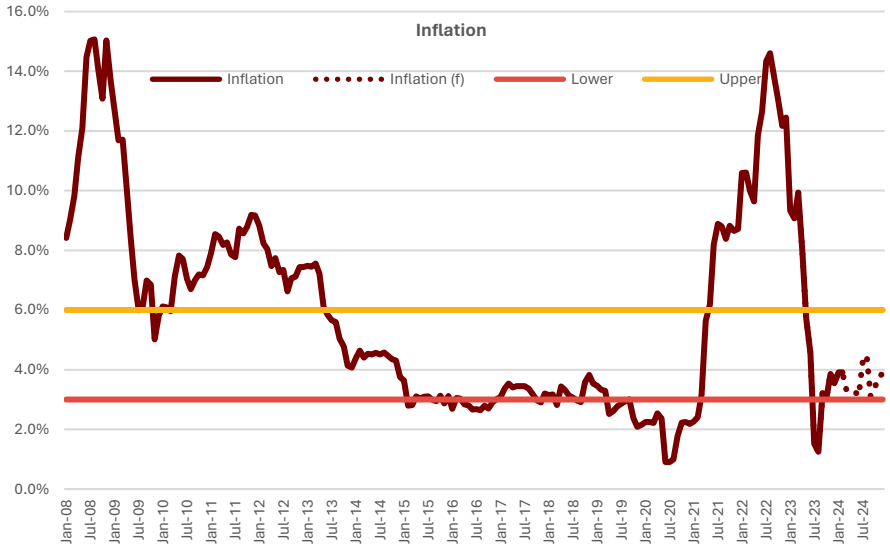
- Letshego announced that PBT for the year ended 31 Dec 23 is expected to be between 65% and 85% (P445m-P581m) lower than the restated PBT for the year ended 31 Dec 22 of P684m.
- Letshego further announced that during the financial period spanning 2019 to 2023, Expected Credit Loss Allowances calculations were incorrect due to the inclusion of a discount factor to Stage 3 default exposures, therefore prior year audited financial statement will be restated.
- Results will be published on or before 30 Apr 24.
- P1.23 (YTD : -1.60%) PE: 6.1 PB: 0.5 D/Y: 12.03% Mkt Cap: P2,675.3mn

BOTALA ENERGY HY24 RESULTS – INCREASED COSTS GROWS LOSSES

Income Statement A\$'000s	HY 24	HY 23	% Δ
Interest received	17	44	(61%)
Share of loss of equity accounted investee	(496)	(167)	196%
Employee benefits expense	(137)	(301)	(55%)
Finance costs	(37)	(3)	1 189%
Consultancy costs	(105)	(34)	213%
Marketing Costs	(14)	(48)	(71%)
Depreciation	(8)	0	-
Administrative costs	(211)	(108)	96%
Loss before income tax (Expense)	(991)	(617)	61%
Income tax (Expense)	0	(46)	(100%)
Loss after income tax (Expense)	(991)	(663)	49%
Balance Sheet extract A\$'Mn	HY 24	HY 23	% Δ
Cash and cash equivalents	2	2	3%
Investment in joint venture	13	12	14%
PPE	1	0	490%
Trade and other payables	1	0	134%
Lease liabilities	1	1	2%
Equity	15	13	13%

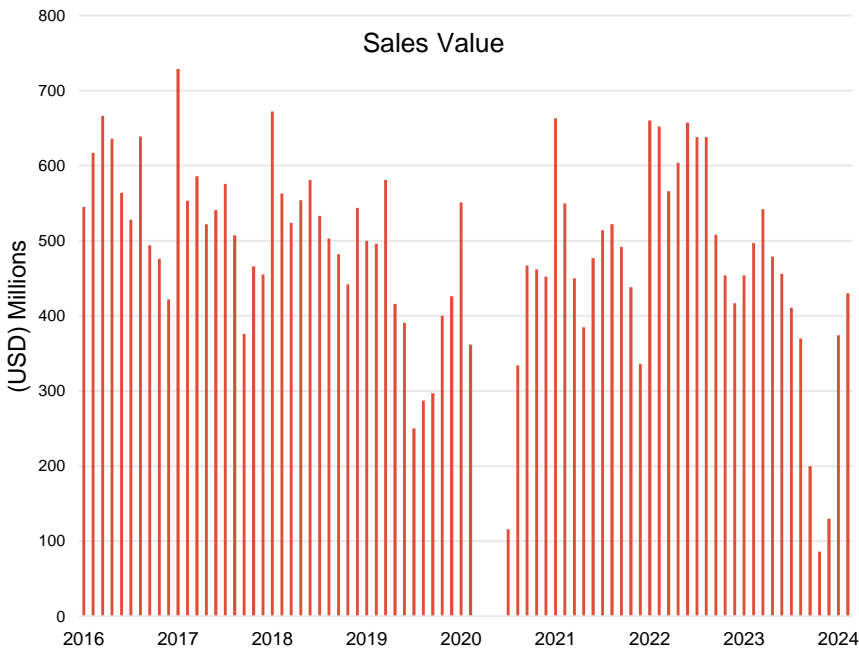
- Finance costs up 11.2x as Botala raised funds to advance its drilling and flow testing programmes.
- PPE +490% attributable to the establishment of the Leupane Energy and Industrial Park, Serowe Energy Hub and equipment acquisitions.
- Investment in Joint Venture +14% due to increased participating interest in Sharpay Enterprises from 49% to 70%.
- Trade and other payables +134%, Botala received funds for share placements from Directors which still require shareholder approval before share issuance.
- No dividends declared.
- P0.82 (YTD: 0.00%)
PE: N/A
PB: 1.0
D/Y: 0.00%
Mkt Cap: P135.5mn

FEB24 INFLATION - INFLATION REMAINS FLAT



- Feb24 Inflation was 3.9% v 4.2% (avg. Kgori Models) v 3.9% (Jan24).
- Inflation remained flat between January and February with group indices recording changes of less than 1%.
- On a month-on-month basis, CPI rose by 0.1%. The greatest m/m increases were in Food & Non-Alcoholic Beverages (+0.4%/m), Clothing & Footwear (+0.3%/m), Furnishing, H/H Equipment & Maintenance (+0.2%/m) and Health (+0.2%/m)
- We do not expect any changes to the MoPR in 2024 as inflation is projected to remain within the BoB's objective range.

DE BEERS (DB) CYCLE 2 SALES 2024 – DIAMOND SALES IMPROVE BUT REMAIN LOW



- DB Cycle 2 2024 Sales \$430mn v \$374mn (Cycle 1 2024) v \$497mn (Cycle 2 2023)
- Sales rose by 15.0% c/c but declined 13.5% y/y.
- Consumer demand for diamond jewellery has improved in India but remains sluggish in China. Retailers in the US have adopted a conservative approach towards restocking following the 2023 holiday season due to ongoing economic uncertainties within the country.
- The ongoing recovery in rough diamond demand is expected to be gradual as we move through the year.

REGIONAL

SOUTH AFRICA

- Jan24 Manufacturing Production m/m 0.8% v 0.6% (e) v -1.3% (Dec23)
- Jan24 Mining Production m/m 3.3% v 9.0% (Dec23)
- During the week, Eskom escalated load shedding intensity to Stage 3 during the night and early morning and Stage 2 during the day until further notice, citing delays in returning three generation units to service.

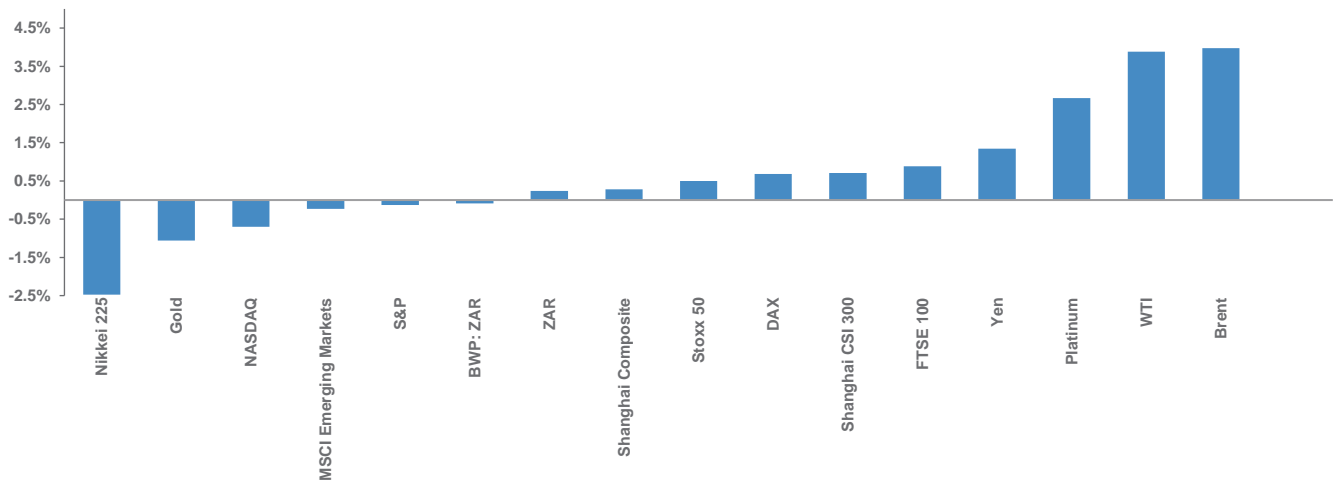
ZAR PERFORMANCE

- The ZAR weakened against the USD following the release of hotter than expected inflation report in the US, stoking fears of higher interest rates persistence.
- ZAR 18.77 (WTD: +0.23%) v 18.73 (8 Mar 24)

The South African rand dips against USD.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 15 MAR 24 WEEKLY PERFORMANCE



- Feb24 PPI y/y 0.6% v 0.5% (e) v 0.2% (Jan24)
- 4Q23 Final GDP q/q 0.1% v 0.3% (e) v -0.1% (3Q23)
- Japan equities closed the week in the red as investor sentiment was rattled by stickier US inflation, which lowered prospects of early interest rate cuts.
- Nikkei 225: 38,708 (WTD: -2.47%), Yen: 149.04 (WTD: +1.35%)



- Eurozone Feb24 Final CPI y/y 2.8% v 2.8% (e) v 2.8% (Jan24)
- Feb24 France Final CPI y/y 3.0% v 2.9% (e) 2.9% (Jan24)
- Feb24 Germany Final CPI y/y 2.5% v 2.5% (e) 2.5% (Jan24)
- UK Jan24 Industrial Production m/m -0.2%v 0.0% (e) v 0.6% (Dec23)
- Euro stocks closed high gaining on expectations that Europe's stuttering growth might enable the European Central Bank to cut rates soon.
- DAX: 17,937 (WTD: +0.69%), Stoxx50: 4,986 (WTD: +0.50%), FTSE100: 7,727 (WTD: +0.88%)



- Feb24 CPI y/y 0.7% v 0.3% (e) v -0.8% (Jan24)
- Feb24 PPI y/y -2.7% v -2.5% (e) v -2.5% (Jan24)
- The People's Bank of China maintained the rate on the one-year medium-term lending facility loans at 2.50%.
- Chinese stocks closed in the green following the release of improving economic indicators for the week.
- SHSZ300: 3,570 (WTD: +0.71%), SHCOMP: 3,055 (WTD: +0.28%)



- 9 Mar 24 Initial Jobless Claims 209k v 218k (e) v 210k (2 Mar 24)
- Feb24 CPI y/y 3.2% v 3.1% (e) v 3.1% (Jan24)
- Mar24 Preliminary UoM Sentiment 76.5 v 77.1 (e) v 76.9 (Feb24)
- Feb24 Retail Sales Advance m/m 0.6% v 0.8% (e) v -0.8% (Jan24)
- Feb24 Industrial Production m/m 0.1% v 0.0% (e) v -0.5% (Jan24)
- US stocks pulled back following hotter than expected inflation report, dampening investor hopes for earlier rate cuts from the Federal Reserve.
- NASDAQ: 15,973 (WTD: -0.70%), S&P 500: 5,117 (WTD: -0.13%)

COMMODITIES



- ΔUS Crude Inventories -1,536k bbl (8 Mar 24) v 306.67k bbl (e) v 1,367k bbl (1 Mar 24)
- ΔUS Oil Rigs +7; 629 (15 Mar 24) v 622 (08 Mar 24)
- ΔNorth American Oil Rigs -11; 836(15 Mar 24) v 847 (8 Mar 24)
 - Oil prices rose as the International Energy Agency raised its view on oil demand growth this year and Crude inventories drop.
 - WTI: \$81.04 (WTD: +3.88%)
 - Brent Crude: \$85.34 (WTD: +3.97%)



- Precious metals closed the week mixed as a stronger dollar weighed on Gold prices while on the other hand stronger demand from China boosted Platinum prices.
 - Gold: \$2,156 (WTD: -1.06%)
 - Platinum: \$939 (WTD: +2.67%)

Oil prices climb post improved demand outlook and pullback in Crude Inventories.



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