African FINANCIALS

Letshego Namibia
Earnings Flash

Dividend raised by 31% despite a 5% drop in earnings to N$303m (US$19m)

DECEMBER 2021

PREPARED BY CHRISTOPHER.HARTLAND-PEEL@HARTLAND-PEEL.COM

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SSA ex SA FLASH - LETSHEGO NAMIBIA

NAMIBIA | **The bounce back kid - Share price up 28% year to date**

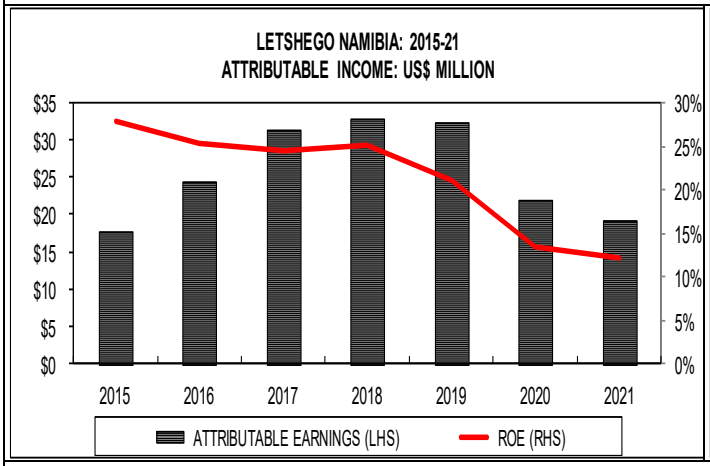
Prepared by: Christopher W. Hartland-Peel | **Date: April 13, 2022**

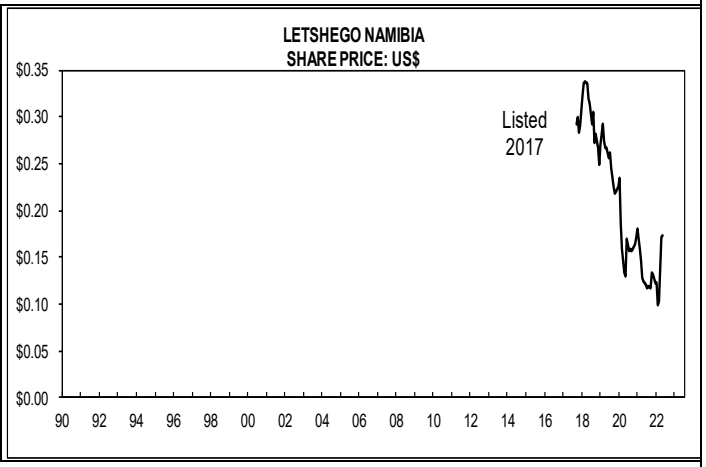
COMPANY INFORMATION		
Listed	Namibia	
Market capitalisation	US$85m	
Main shareholders (Dec 2020)	Letshego Kumwe Investments Govt Employees Pension Fund	78% 12% 3%
Year end	December	
Sector	Consumer finance	
FX rate to US$	N$14.53	

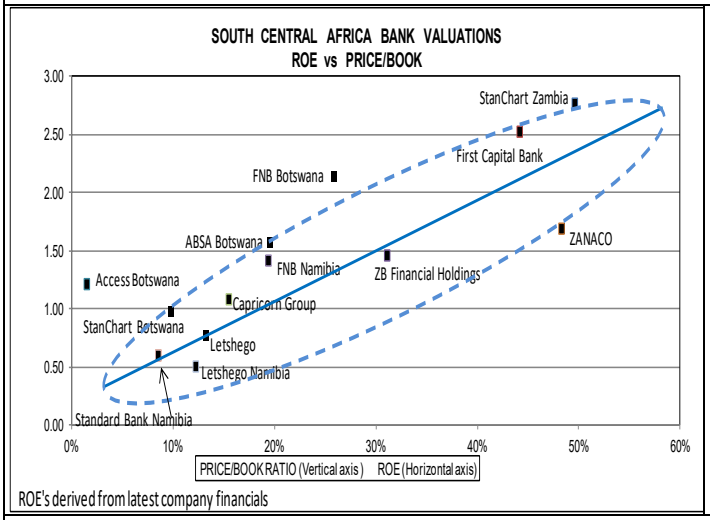
SHARE INFORMATION		Dec 2021	April 2022
P/E:12 month trailing		2.9 times	4.1 times
Dividend yield		11.5%	11.8%
Dividend cover		2.96 times	2.05 times
Price/Book		0.41 times	0.50 times
Share price	N$	N$1.96	N$2.51
	US$	$0.12	$0.17

Share price up 28% in N$ and 39% in US$ YTD.

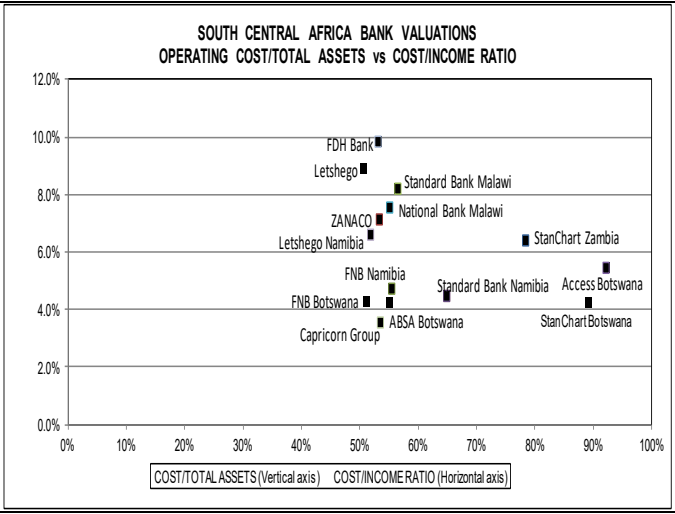
1. Letshego Namibia's share price has risen sharply this year, up 28% in N$. This, we believe, is primarily as the share price has fallen almost continuously since the shares were listed in 2017 and the valuation at end of 2021 had become compelling.
2. Although Letshego Namibia's full year 2021 earnings fell 5% to N$303m (US$19m) the dividend was raised 31%.
3. H2 2021 earnings fell 10% vs H1 2021 on account of increased operating expenses and a reduced net interest margin.
4. Loans and advances have increased in double digit terms in each of the past five years. Notwithstanding this, Letshego Namibia's risk profile is modest with NPL's below 7% since 2017 and charge-offs below 1% since 2017.
5. Business efficiency is stable with operating expenses/total assets ratio of 6.6%.







ROE's derived from latest company financials



Sources: All information, graphs, tables and data have been sourced from company annual/interim reports, share prices from the NSE, and FX rates from the FT..

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