

Capricorn Group Ltd

Capricorn Group (CGP), listed on the Namibian Stock Exchange (NSX), is a diversified financial services group based in Windhoek, Namibia, with subsidiaries in Namibia and Botswana. The Group's operations are primarily focused on banking, insurance, microfinance, wealth and asset management.

Strategy

Capricorn Group's business model aims to deliver on the Group's strategic purpose and create value for stakeholders over the short, medium and long term. It operates as a system which transforms inputs through a range of business activities into outputs and outcomes. The Group's strategy is designed to generate a durable advantage and higher value in a competitive market. It guides the Group to focus on its strategic priorities, identify opportunities and effectively mitigate strategic risks.

Products and Services

The Group's operations provide a range of services including transactional banking, credit and deposits, asset management, bancassurance, forex and trade finance. The Capricorn Group is diversified with interests not only in banking (Bank Windhoek Ltd and Bank Gaborone Ltd), but also in asset management, insurance, microfinance and telecommunications through Capricorn Asset Management (CAM), Sanlam Namibia Holdings, Santam Namibia Ltd, Entrepo Holdings, Paratus Group Holdings, and Peo Finance.

Opportunities

Namibia's better growth prospects should benefit CGP's domestic exposures, along with the anticipated 5% civil service wage adjustment in '24.

Challenges

Strict regulation and the high interest rate environment, which increases credit and default risk, are challenges for the banking sector as a whole.

Basic valuation

Financial data	Year-End Jun				
	FY '22	FY '23	FY '24f	FY '25f	FY'26f
CGP Key Metrics					
Net Interest Income (NAD'm)	2,337	2,718	3,024	3,273	3,435
Non-Interest Revenue (NAD'm)	1,669	1,887	1,983	2,111	2,266
Profit After Tax (NAD'm)	1,146	1,474	1,614	1,751	1,893
HEPS (NAD'c)	203	269	293	319	347
PE (x)	6.8	6.3	5.8	5.3	4.9
DPS (NAD'c)	72	100	111	121	132
DY(%)	5.2	5.9	6.5	7.1	7.7
NAV ps	1,404	1,626	1,776	1,990	2,220
PB (x)	1.0	1.0	1.0	0.9	0.8
ROE (%)	15.0%	17.6%	17.1%	17.9%	17.3%

Source: Cirrus, Company AFS



Key data

Share price (NAD)	17.13
12m hi/low (NAD)	17.13/13.53
Shares in issue (m)	518.5
Market cap (NAD'bn)	8,89
Market cap (USD'bn)	0.47
Ave daily traded (USD'm)	39,317.84
Rolled forward PE	5.8
Target price (NAD)	18.05
One-year absolute return (%)	26.48

Rating	MARKET PERFORM
Bloomberg	CGP NW

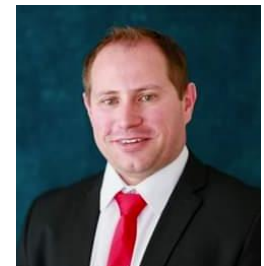
Source: Bloomberg, Cirrus Capital
 All prices correct as of 14 Feb '24

Capricorn Group Representatives



Thinus Prinsloo

Former Group Chief Executive Officer



Johan Maas

Group Chief Financial Officer



Claire Hobbs

Chief Treasurer Bank Windhoek