



Interim Results

6-month period ended 31 August 2018

Presented by:

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Chief Executive Officer

- Overview and interim financial results
- Portfolio review
- Conclusion
- Questions and answers



We play an active role in investee companies through strategic interests with a controlling influence.

Group positioning

Business definition

- An actively managed investment holding company listed on the Johannesburg Securities Exchange
- Long-term value investor with a primary focus on Agribusiness, food and related industries
- Key characteristics of investment considerations:
 - Sustainable growth sectors or sub-sectors
 - Management with proven track record
 - High barriers to entry
 - Unique and defensible products (brands)
 - Simple (easy to understand) and scalable business models
 - Focused execution

Strategic Focus

- Industry:**
 - Agribusiness
- Sub-sector:**
 - Food and Beverages
 - *Adjacent and related*
- Geography:**
 - South Africa (direct)
 - Sub-Saharan Africa (direct)
 - Rest of World (via portfolio)
- Criteria:**
 - Arbitrage
 - Undervalued
 - Growth sectors
 - Consolidation
- Influence:**
 - Active
 - Boards
 - Management
 - Strategy
 - Transactions

Invest in **and build** businesses

Notwithstanding very challenging conditions Zeder managed to deliver a solid recovery in earnings for the 6-months ended 31 August 2018.

Interim results

NEGATIVES

- Factors outside our control remain challenging
- South African and regional economies constrained with investment climate negative
- Consumer spending under pressure with rising inflationary costs
- Decline in valuations across portfolio with negative impact from Small-Mid Cap sell-off
- Pioneer Foods share price decline 29% since 28 February 2018
- Zeder SOTP value **decreased by 21%** to R6.23 as on 1 Oct 2018 – further declines since...
- Zeder **discount widened to 24%** with share price closing at R4.76 at 1 Oct 2018
- Investor sentiment towards valuations likely to remain subdued in short-term

POSITIVES

- Items within our control remain well managed
- Portfolio and investee companies remain strong
- Broadly speaking **climatic conditions improving**
- **Recovery in earnings underway** across portfolio
- Recurring HE from investments **increased 102%**
- Recurring HE per share **increased 158%**
- Exit of GWM investment in China for **R1,18bn**
- Headline Earnings per share **increased 605%**

Sum-of-the-Parts (SOTP)

Performance review

Zeder's SOTP declined by 21% since 28 February 2018 and closed at R6.23 on 1 October 2018.

Interim results

Company	28 Feb 2018		31 Aug 2018		1 Oct 2018	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27,0	7 660	27,0	6 145	27,0	5 428
Capespan	97,5	2 259	96,9	2 167	96,9	2 167
Zaad	93,2	2 043	93,5	2 235	93,5	2 235
Kaap Agri	40,9	1 376	40,9	1 198	40,9	1 183
Agrivision Africa	56,0	591	56,0	493	56,0	493
Quantum Foods	27,7	246	29,3	259	29,3	259
Other		33		23		21
Total investments		14 208		12 520		11 786
Cash and cash equivalents		111		272		266
Other net assets		108		111		117
Debt funding		(1 000)		(1 500)		(1 510)
SOTP value		13 427		11 403		10 659
Number of shares in issue (<i>net of treasury shares</i>) (million)		1 710		1 710		1 710
SOTP value per share (rand)		7,85		6,67		6,23

- Largest impact is decline in share price of Pioneer Foods from R132 at 28 February 2018 to R93 at 1 October 2018
- Conservative internal valuation assumptions applied to unlisted investments given current macro environment
- Increased available debt facilities within conservative cover and cash flow parameters
- Zeder's own share price declined to R4.76 as at 1 October 2018 – discount at 24%

Recurring headline earnings

Performance review

Recurring Headline Earnings per share increased by 158% as a result of strong recoveries in earnings from most portfolio companies.

Interim results

	Audited	Unaudited		
	28 Feb 18 12 months Rm	31 Aug 17 6 months Rm	Change %	31 Aug 18 6 months Rm
Recurring headline earnings from investment	576	115		231
Net interest, taxation and other income and expenses	(102)	(50)		(64)
Recurring headline earnings	474	65	156,9	167
<i>Non-recurring</i> headline earnings	(49)	9		348
Headline earnings	425	74	595,9	515
Non-headline items	(171)	53		(51)
Attributable earnings	254	127	265,4	464
Weighted average number of shares in issue (<i>net of treasury shares</i>) (million)	1 717	1 722		1 702
Recurring headline earnings per share (cents)	27,6	3,8	157,9	9,8
Headline earnings per share (cents)	24,8	4,3	604,7	30,3
Attributable earnings per share (cents)	14,8	7,4	268,9	27,3

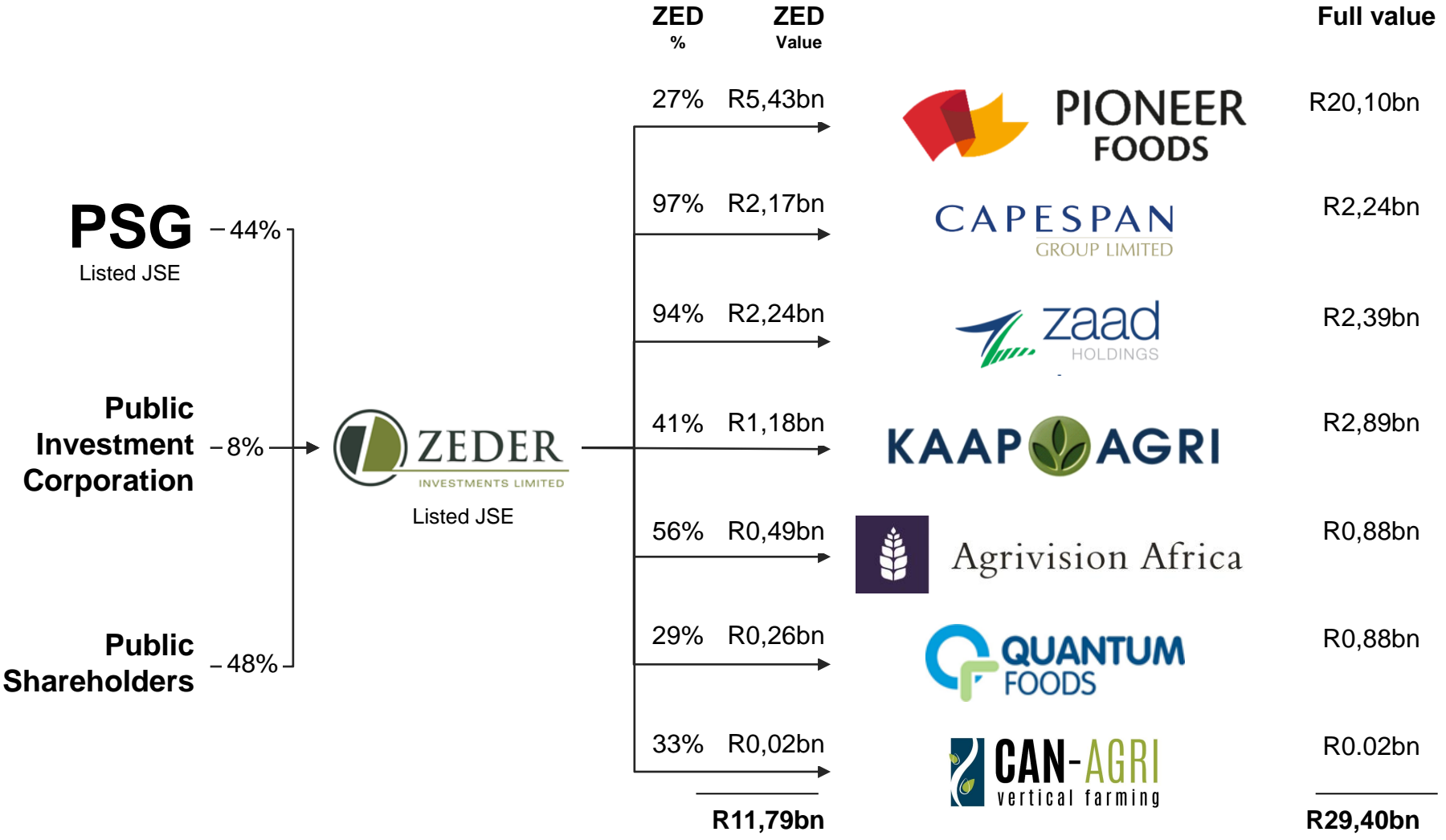
- First 6-months reflect the smaller half of Zeder's normalised annual earnings – YoY comparisons may reflect seasonal variances
- Encouraging recovery in earnings reported by Pioneer Foods for their 6-months ended 31 March 2018
- Strong increase in earnings reported by Capespan's Logistics division and Quantum Foods
- Satisfactory earnings reported across remainder of portfolio
- Agrivision Africa's earnings remain constrained and operational plans being implemented

An investment holding company

Company overview

We currently have 7 focused investments conservatively valued at R11,8bn providing us with strategic influence over underlying portfolio valued at R30bn.

Group structure



Note: A carefully structured approach underway to reposition the Logistics Division within Capespan as 8th platform investment



Broad exposure across industry

Portfolio review

Portfolio offers strategic exposure across value chain with strong management teams focused on driving growth in the long-term.

Leading companies



- SS Africa's **2nd largest FMCG (Food and Beverage) Company**
- Packaged staple foods, milling, baking, groceries, beverages
- Unmatched **platform from which to grow** and expand
- Africa + Exports + Selective international expansion (UK)

- **Best-in-class FMCG Platform**
- **Strong cash generation**
- **Strategic anchor to broader Agri-portfolio**



- South Africa's **leading fruit exporter with primary production**
- Global fruit marketing offices ensuring **global retail access**
- Leading **logistical assets and operations** incl. port, w/housing
- Africa + Exports + Selective international markets (UK offices)

- **Farming + Intl. Export/Marketing platform**
- **J-curve investments made – improved cash**
- **Very attractive Tech-led Logistics Platform**



- **Leading independent non-GMO, Hybrid Seed Company**
- Broad basket of **Agri-seeds and strategic Agri-inputs**
- Advanced R&D with proprietary **Intellectual Property**
- Africa + Emerging Market growth

- **Exciting platform for EM growth**
- **Proprietary genetics and product basket**
- **Pipeline registrations maturing**



- **South Africa's leading Agri-retailer** (branch + depot + direct)
- Leading Western Cape **grain handler** + related services
- Well established **Fuel-retail** division with accelerated growth
- SS Africa + Selective international markets

- **Agri-retail plus related trade platform**
- **Fuel retail division/platform**
- **Growing general retail capabilities**



- **Zambia's 2nd largest commercial grain farming enterprise**
- Regionally dominant maize and wheat milling operations
- Significant development and acquisition completed
- Regional expansion and agri-productivity enhancement

- **Primary production + processing platform**
- **Regional champion for food security**
- **Facilitate and drive agri development**



- **South Africa's largest egg supplier (vertically integrated)**
- Regionally dominant animal feeds operations
- Leading broiler, layer (grand-parent + parent) farming ops
- Foundation laid for African expansion (Zambia, Uganda, Moz)

- **Leading animal protein supplier**
- **Vertically integrated supply chain**
- **Platform to build African champion**



- **A vertical farming start-up with enormous potential**
- South African concept + patent + innovators
- Unique intellectual property with global application
- Currently building "full-scale" to launch business

- **Modern farming and Agri-tech**
- **Global application – smart farming**
- **Sustainable food production**

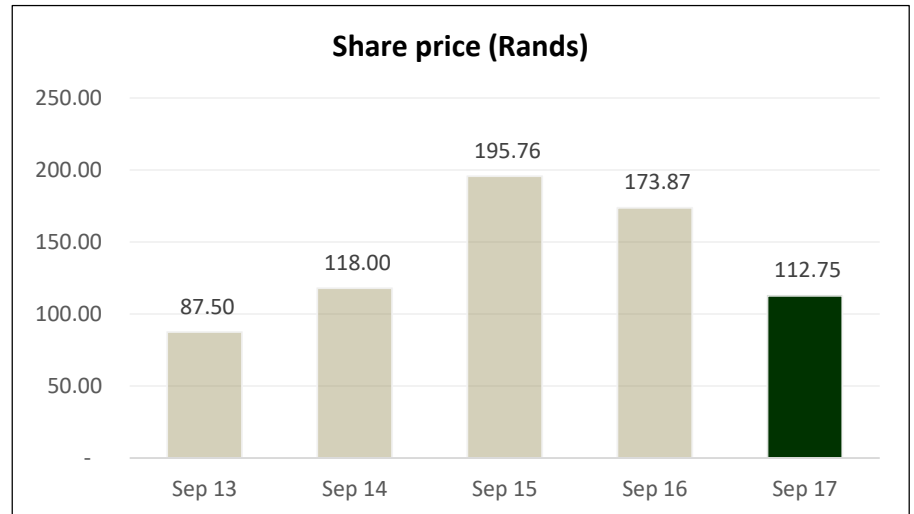
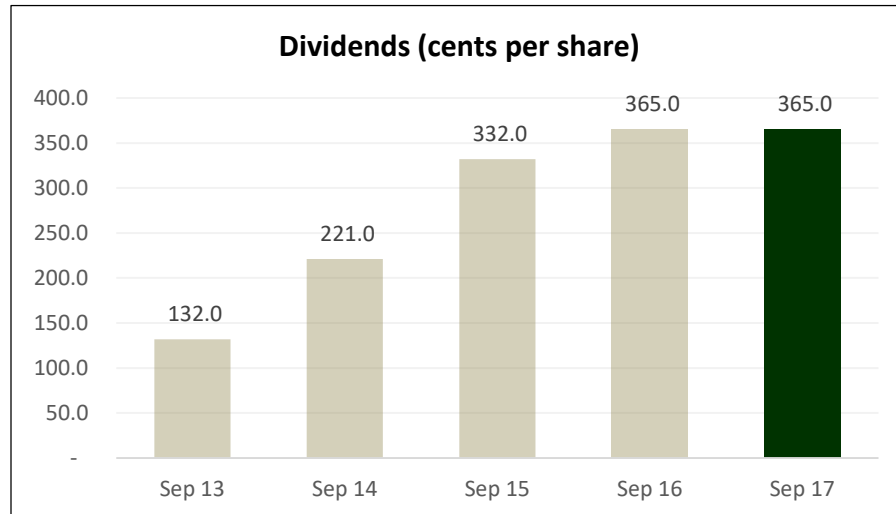
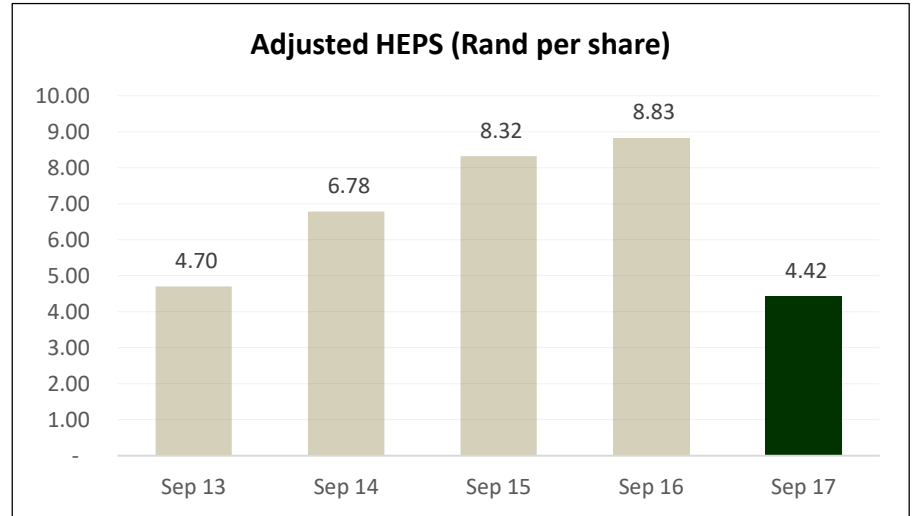
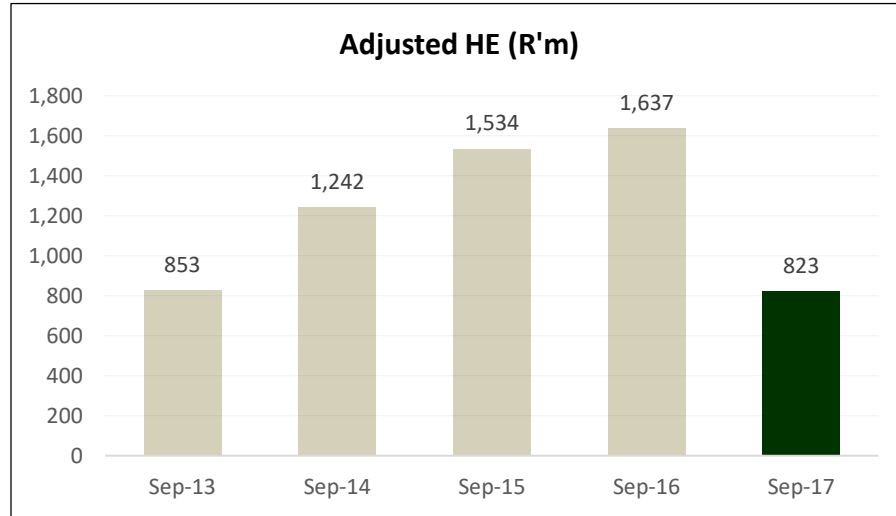
Business overview

Portfolio review

Pioneer is South Africa's 2nd largest food producer with leading market share positions across a number of core categories and extensive geographical footprint and penetration.



Pioneer has performed exceptionally well over the past 5 years but experienced a challenging year during 2017.



Pioneer reported a strong balance sheet, healthy cash generation and a recovery in earnings for its 6-month ended 31 March 2018.



SALIENT FEATURES

Revenue	R9 899 million	-3%
Adjusted operating profit (before items of a capital nature)*	R949 million	+36%
Earnings	R620 million	+35%
Earnings per share	332 cents	+34%
Diluted earnings per share	315 cents	+37%
Headline earnings ("HE")	R592 million	+30%
Headline earnings per share	317 cents	+30%
Diluted headline earnings per share	301 cents	+32%
Adjusted headline earnings*	R597 million	+27%
Adjusted headline earnings per share*	320 cents	+26%
Net cash profit from operating activities	R1 195 million	+34%
Net asset value per share	4 340 cents	+2%
Interim gross dividend per listed ordinary share (2017: 105 cents)	105 cents	–

* HE and operating profit (before items of a capital nature) are adjusted for the impact of the share-based payment charge of the B-BBEE Phase I equity transaction and related hedge and (in 2017 only) for once-off merger and acquisition costs.

Positive trading update released by Pioneer Foods on 4 October 2018.



TRADING UPDATE RELEASED ON SENS ON 4 OCT 2018	30-Sep-17	30-Sep-18			
	Audited	Lower range		Higher range	
Revenue (R'm)	19,575	1.5%	19,869	4.5%	20,456
Operating profit before items of a capital nature (R'm)	1,156	34.0%	1,549	44.0%	1,665
Adjusted operating profit before items of a capital nature (R'm)	1,276	23.0%	1,569	33.0%	1,697
Headline earnings per share (cents)	410.1	32.0%	541.3	42.0%	582.3
Adjusted headline earnings per share (cents)	442.2	24.0%	548.3	34.0%	592.5
Earnings per share (cents)	390.3	47.0%	573.7	57.0%	612.8

Business overview

Portfolio review

Capespan is an internationally diversified group with a primary exposure to fruit farming, marketing, distribution, port logistics and related services.

CAPESPAN
GROUP LIMITED



Interim results

Portfolio review

Capespan reported improved earnings for its 6-month period ended 30 June 2018.

CAPESPAN
GROUP LIMITED

Summarised Income Statement	Dec 15		Dec 16		Dec 17
	R'm	% D	R'm	% D	
Key metrics	R'm		R'm		R'm
Revenue	7,688	8.1%	8,311	-20.4%	6,619
EBITDA	299	-16.4%	250	-3.6%	241
<i>EBITDA margin</i>	3.9%		3.0%		3.6%
EBIT	220	-29.5%	155	-20.6%	123
<i>EBIT margin</i>	2.9%		1.9%		1.9%
Net finance income/(costs)	(38)	-2.6%	(39)	-41.0%	(55)
Income from associates	72	-41.7%	42	61.9%	68
Recurring headline earnings	171	-42.7%	98	-20.4%	78
Headline earnings	136	-33.8%	90	-31.1%	62
WANOS (m)	324		338		364
Recurring HEPS (R)	0.53	-45.3%	0.29	-27.6%	0.21
Net asset value per share (R)	6.26	-14.2%	5.37	-6.7%	5.01

Jun 17		% D	Jun 18	
R'm			R'm	
2,981	-8.5%	2,729		
44	11.4%	49		
1.5%		1.8%		
(11)	-27.3%	(14)		
-0.4%		-0.5%		
(35)	8.6%	(32)		
34	-14.7%	29		
(22)	90.9%	(2)		
(35)	n/a	355		
364		364		
(0.06)	90.0%	(0.01)		
5.08	10.6%	5.62		

- Capespan's first 6-months traditionally reflects the agri-input costs cycle
- Strong performance from Logistics Division
- Farming Division under control but high interest charges in the short-term as expansion funded with debt
- Global Fruit Division still in process of restructuring with related costs continuing to impact earnings in short term
- Group medium-to-long term plans and outlook remain attractive

Transaction agreements have been concluded that should see the successful disposal of the investment in Joy Wing Mau in China for ~R1,18bn.

CAPESPAN
GROUP LIMITED



- Capespan's interest in GWM has reduced over recent years
- No longer strategic influence - decided to exit this investment
- Exit negotiations successfully concluded on 21 September 2018
 - Total gross proceeds = RMB 566m
 - ZAR equivalent @ 2.08 X-rate = **ZAR 1,18bn**
- Net proceeds to be applied as follows:
 - Reduce debt in Capespan's Farming Division
 - Optimal capital structure of Fruit and Logistics
 - Reduction in interest and improvement in RHE anticipated
 - Special dividend to Zeder
- Strong relationships maintained and commercial growth to China remains strategic objective of Fruit Division

Key observations

Portfolio review

For the past 3 years we have restructured, refocused, realigned and reinforced the Capespan Group to operate as two focused divisions, each with growth prospects.



FRUIT AND FARMING DIVISIONS



- **Global fruit procurement, export and marketing**
 - Servicing global retailers
 - Servicing producers



- **Associate investments for market access**



- **Grape Farms**
 - 12 units
 - 948 hectares
- **Citrus Farms**
 - 3 units
 - 304 hectares
- **Pome Farms**
 - 3 units
 - 625 hectares
- **Infrastructure**
 - Packhouses
 - Coldrooms
 - Sorters

LOGISTICS DIVISIONS



- **Port and terminal operations**



- **Warehouse infrastructure and mgmt.**

- **Customs and clearance**

- **Trucking and transport**

- **Import export**

- **Infrastructure**



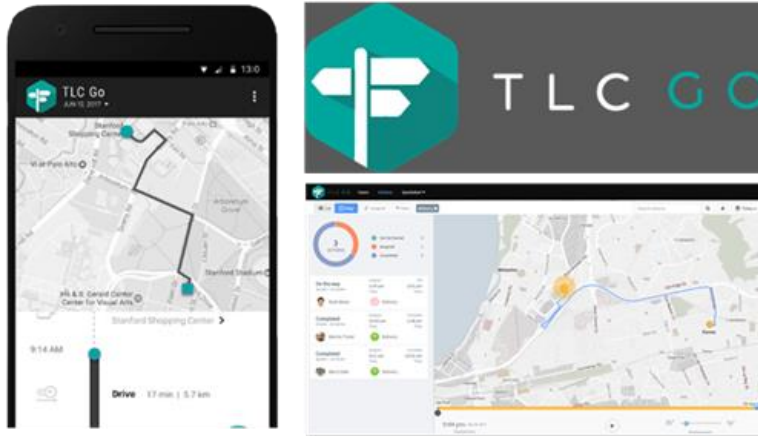
- **Improved strategy and focus**
- **Improved structures for further growth and capital allocation**
- **Improved service delivery to our customers**

Small seeds planted

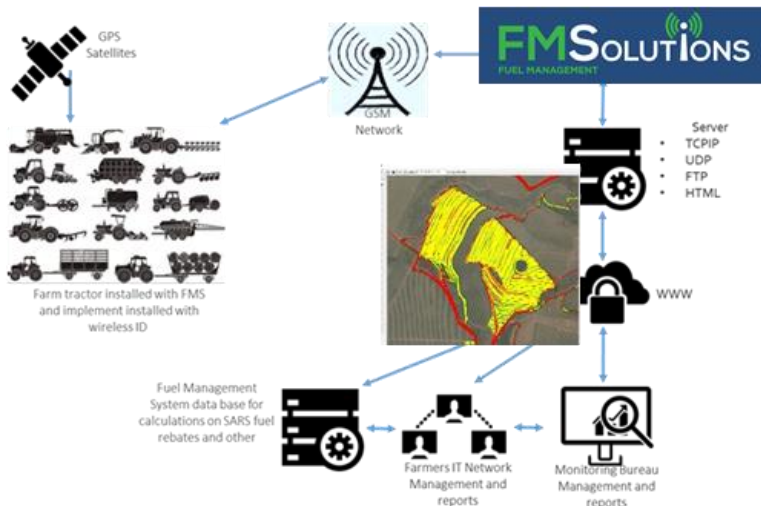
New platform investments

To complement our logistics offering as a group, we invested in a new small start-up and management team that provide us with an attractive entry into logistics related technology.

THE LOGISTICS COMPANY



- Embrace technology platforms
 - Transport management solution (**TLC GO**)
 - Fuel management solution (**FMS**)
- Partnered with strong innovative management team
- Rapid growth possible – but VC type risk
- Zeder invested seed capital
- Technology adoption in existing portfolio
- Technology adoption by 3rd party logistics
- Apply within own portfolio
- Focus in South Africa but global application possible



By combining the existing cargo flow and division of Capespan with TLC platform, we aim to establish a leading technology enabled transport platform.

CAPESPAN GROUP LIMITED

THE LOGISTICS GROUP TLG

Customer focused...
Client engagement

- Agriculture
- Mining
- FMCG
- Other

... Technology led...
Platform execution

- **TLC GO**
- **FMS**
- Other

... Capability enabled
Functional fulfilment

- Port facilities and handling
- Warehouse management
- Trucking and transport
- Brokering and administration
- Customs and clearance

Kaap Agri is a leading Agri-related retail, trade, supply and services company.



KAAP AGRI

is a retail services group that supplies a variety of products and services mainly to the agricultural sector, but also to the general public.

Kaap Agri has 183 operating points that stretch over 97 cities, towns and places, and include areas such as the Swartland, Boland, Winelands, Overberg, Langkloof, Namaqualand, Orange River, Sundays River Valley, Namibia and adjacent areas, as well as Limpopo, Mpumalanga and Gauteng.

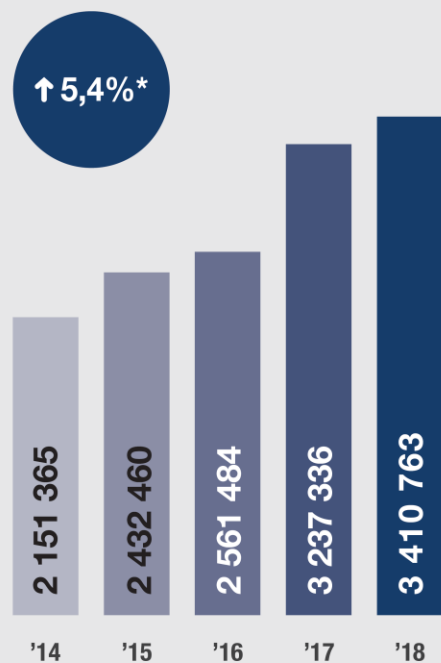


Kaap Agri reported a 7,2% increase in RHEPS and an increase of 8.5% in dividends per share for its interim period ended 31 March 2018.

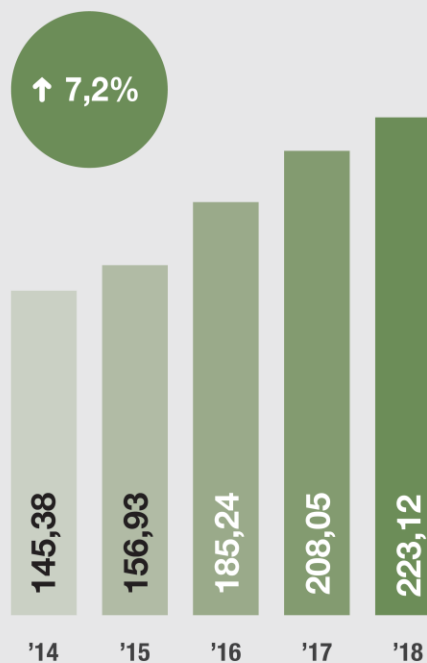


Salient features

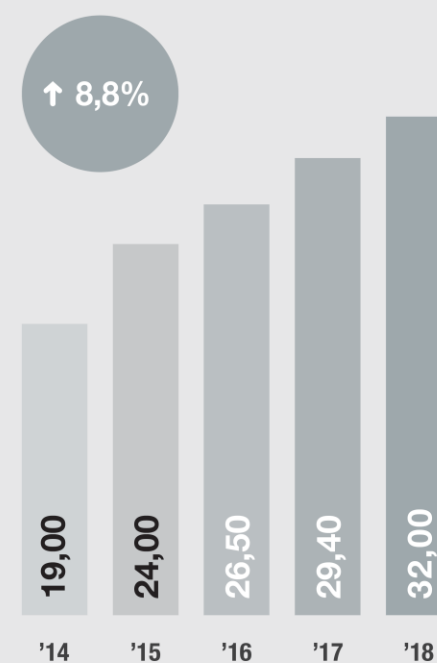
Revenue* R'000



Recurring headline earnings per share Cents



Interim dividend Cents



Kaap Agri is a leading and continuously improving group with attractive organic growth potential and selective M&A pipeline opportunities.



- Improved climatic conditions in the Western Cape following severe drought
- Successfully restructured divisions with clearly defined growth strategies
- Talent development and next-level management progressing very well

Business overview

Portfolio review

Zaad is a specialist agricultural seed company that develops and supplies a broad basket of proprietary seeds to more than 96 international markets.



Zaad's results for the 6-month period ended 31 July 2018 are pleasing as they move into the 2nd half when most of the annual sales is traditionally generated.

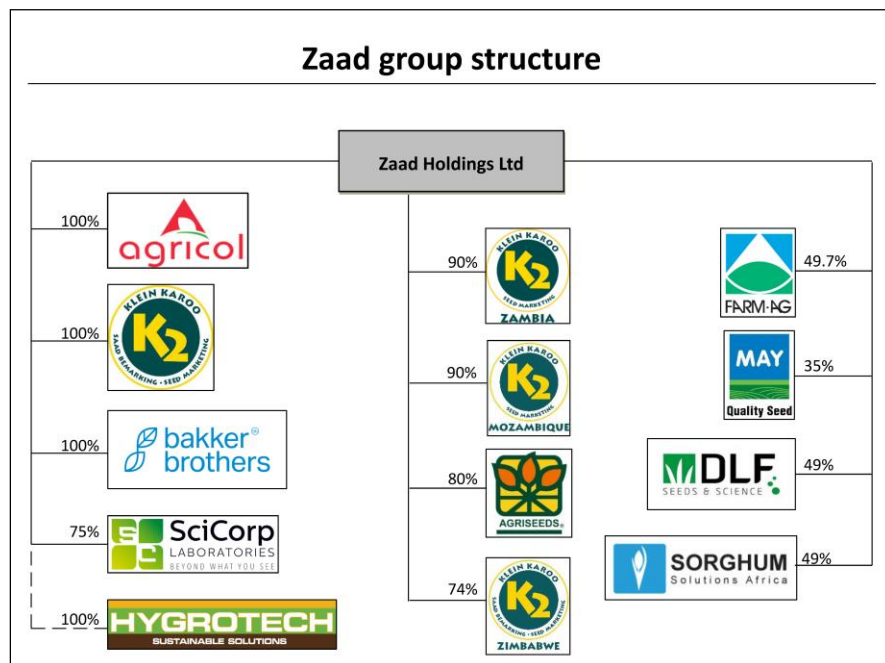


Summarised Income Statement Key metrics	Feb 16"	%Δ	Jan 17*	%Δ	Jan 18	Jul 17	%Δ	Jul 18
	R'm		R'm		R'm	R'm		R'm
Revenue	1,217	10.4%	1,344	4.8%	1,409	495	-0.4%	493
EBITDA	223	-0.4%	222	0.5%	223	19	121.1%	42
<i>EBITDA margin</i>	18.3%		16.5%		15.8%	3.8%		8.5%
EBIT	188	-1.6%	185	-6.5%	173	(2)	n/a	23
<i>EBIT margin</i>	15.4%		13.8%		12.3%	-0.4%		4.7%
Recurring headline earnings	98	35.7%	133	-7.5%	123	(7)	n/a	11
Headline earnings	98	21.4%	119	-1.7%	117	(11)	n/a	5
WANOS (m)	20		22		24	24		26
Recurring HEPS (R)	4.97	21.5%	6.04	-16.7%	5.03	(0.30)	n/a	0.42

*Zaad changed its year-end from February to January and restated for a 12-month comparative

"Financial figures restated

Zeder continues to support Zaad and has made additional capital commitments as the group aims to deliver on its ambitious objectives.



- Zeder invested R145m during FY2018 and R192m during 1H2019
- Additional gearing has negative earnings impact in the short term but positive in medium term
- Strong pipeline of genetics acquisitions, M&A and R&D spending anticipated
- Zeder has committed further capital for deployment during 2H2019
- **Goal remains to build a leading global hybrid seed group with market leadership in emerging markets**

Business overview

Agrivision Africa is a vertically integrated, grain-related food supplier that farms, mills and distributes products in the northern region of Zambia and southern parts of the DRC.

Farming & Development



- 4,200 ha (irrigated)
- 2,500 ha (dry-land)

Milling & Processing



- 50,000 tons (Maize)
- 24,000 tons (Wheat)

Portfolio review



Agrivision Africa

Brands & Distribution



- Formal retail
- Distribution depots

Interim results

Disappointing recurring losses continue but underlying business operating well and plans underway to fix and stabilise.

Summarised Income Statement	Dec 15	Δ%	Dec 16	Δ%	Dec 17
Key metrics	\$'000		\$'000		\$'000
Revenue	31,711	25.2%	39,718	-12.0%	34,944
EBITDA	2,199	233.2%	7,326	-77.2%	1,672 [^]
EBITDA margin	6.9%		18.4%		4.8%
EBIT	(955)	n/a	4,305	n/a	(2,012) [^]
EBIT margin	-3.0%		10.8%		-5.8%
Recurring headline earnings	(3,615)	n/a	1,306	n/a	(4,700)
Headline earnings	(5,955)	n/a	3,645	n/a	(4,700)

[^]Adjusted for impairment of intangible assets in FY2017

NEGATIVES:

- **Delayed El-Nino impact**
 - Summer cropping
 - Dam levels at Mkushi
 - Disease outbreaks
- **Political interference**
 - Border closures and export restrictions
 - Market price manipulation for staple foods

Portfolio review



Agrivision Africa

Jun 17	Δ%	Jun 18
\$'000		\$'000
17,795	-19.2%	14,380
(344)	-196.5%	(1,020)
-1.9%		-7.1%
(1,920)	-47.7%	(2,835)
-10.8%		-19.7%
(2,106)	-80.2%	(3,796)
(2,106)	-80.2%	(3,796)

POSITIVES:

- **NAV underpin**
 - Low liquidity but asset prices maintained
 - SOTP values applied internally already discounted
- **Improved conditions**
 - Normalised climatic conditions
 - Improved political stability
 - Open border trading at present

Business overview

Portfolio review

Quantum is South Africa's #1 commercial egg supplier and operates a regionally dominant and nationally recognised premium animal feeds business.



Solid interim results

Portfolio review

Despite challenging macro conditions, Quantum benefitted from lower commodity input costs and improved egg prices as reported for its 6-months ended 31 March 2018.



For the six months ended 31 March	2018 Rm	2017 Rm	% change
Revenue	2 035.4	2 040.9	0
Operating profit*	244.2	42.3	477
Income from associates	0.5	0.4	
Net finance income	10.0	2.5	
Profit before tax	254.7	45.2	
Tax	(71.5)	(13.1)	
Profit for the period	183.2	32.1	

- **Operating profit increased by 477% for the 6-months ended 31 March 2018**
- **African operations showing encouraging recovery**
- **Strong cash generation continues** (*favourable input costs and shelf-realisation on eggs*)
- **Improved dividend flow and shareholder returns**

Small seeds planted

New platform investments

We have partnered with an innovative team and invested in a new company that gives us an entry into smart, vertical farming.



- Urbanisation and vertical farming is a growing global theme
- Decline in cost effective available agricultural land and damage to environment is forcing a rethink of the sustainability of current approach
- Identified a South African team and concept – suggests:
 - *best yields*
 - *lowest costs*
- Total comprehensive urban farming solution
 - *water + climate + efficiency + technology + nutrients + control systems + patents*

Small seeds planted

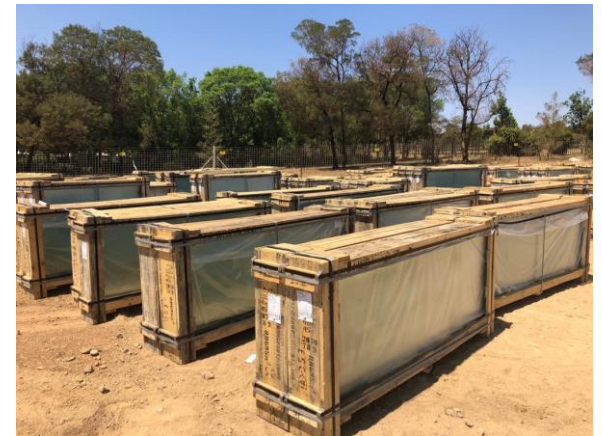
We have committed the funding to build full-size commercial unit and are currently well advanced with construction.



New platform investments



- Build full size unit in RSA
- Validate assumptions and KPI's
- Roll out in SA
- Test global application



With a strong existing platform and focused addition of new opportunities, the prospects remain positive going forward.

General commentary

- Early indications of improved political, economical and climatic conditions in markets where our portfolio operates
- Indications of inflationary relief after period of sustained pressure
- Strong and well diversified portfolio that provides us with broad exposure to the industry
- Well developed strategies aligned to aligned to deliver sustainable growth
- Investments already made (financed in part with debt) to deliver results in medium term
- Best-in-class management teams in place and developing continuously
- Focus remains on recovery in the short term
- Platform growth continuously pursued – *exciting new avenues established, both within and adjacent to existing investments*
- New and adjacent opportunities are reviewed on an ongoing basis



Despite the short-term challenges, we remain committed to deliver attractive shareholder returns.