



Annual General Meeting

Presented by:

Norman Celliers

Chief executive officer

22 June 2018

An investment holding company

Company overview

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

Business definition

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

Challenging conditions prevailed

Performance review

The financial results reflect a period of challenging environmental conditions exacerbated by high levels of political and economical volatility. Many of these factors have improved recently.

Operating environment

	2012 – 2014		2014 – 2016		2016 – 2018		2018 – 2020	
Industry focus:	• Agri Cooperatives		• Agribusiness – food and beverage		• Agribusiness – food, beverage and directly related		• Agribusiness and broadly related or adjacent	
Our strategy:	• Rebalance portfolio • Exit non-core • Increase position in core		• Ensure investee companies have sustainable growth strategies in place		• Implement strategies • Introduce required KPI's and measurement tools • Drive for focus and operational efficiencies • Capitalise as required		• Monitor and assist existing companies • Find 1 or 2 substantial new investments • Build on smaller high growth investments	
Political environment:	• RSA stable		• RSA stable – risks increase		• RSA deteriorates rapidly • Global volatility (i.e. Trump, Brexit etc)		• RSA positive change • Africa regional improvement • Global volatility remains	
Economic environment:	• RSA credit rating maintained • Africa investment appetite strong • China growth slows • Global growth slows		• RSA credit rating risks emerge • Commodity prices decline • Africa appetite wanes • Economic activity slows		• RSA credit downgraded • Supressed commodity pricing maintained • Africa appetite reversed • Economic activity deteriorates rapidly		• Global supplies normalise – marginal improvement in pricing • Africa appetite stabilises • Economic activity shows signs of improvement	
ZAR/US\$:	7.53	9.01	10.76	11.66	16.17	13.11	11.79	13.80??
Climatic conditions:	• Normalised		• Emergence of El-Nino		• Peak/decline of El-Nino • Emergence of WC drought		• Normalised to wet • WC conditions improving	

Sum-of-the-Parts

Performance review

Zeder's SOTP value per share decreased by 8.0% from R8.53 to R7.85, as of 28 February 2018.

FY2018

Company	28 Feb 2017		28 Feb 2018		15 Jun 2018	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27.1	9,538	27.0	7,660	27.0	6,610
Capespan	98.1	1,975	97.5	2,259	96.9	2,259
Zaad	91.4	1,531	93.2	2,043	93.7	2,143
Kaap Agri	39.8	1,321	40.9	1,376	40.9	1,308
Agrivision Africa	55.6	614	56.0	591	56.0	591
Quantum Foods	26.7	193	27.7	246	27.8	290
Other		39		33		23
Total investments		15,211		14,208		13,224
Cash		173		111		358
Other net assets		120		108		96
Debt funding		(798)		(1,000)		(1,529)
SOTP value		14,706		13,427		12,149
Number of shares in issue (net of treasury shares) (million)		1,725		1,710		1,710
SOTP value per share (rand)		8.53		7.85		7.10

Observations:

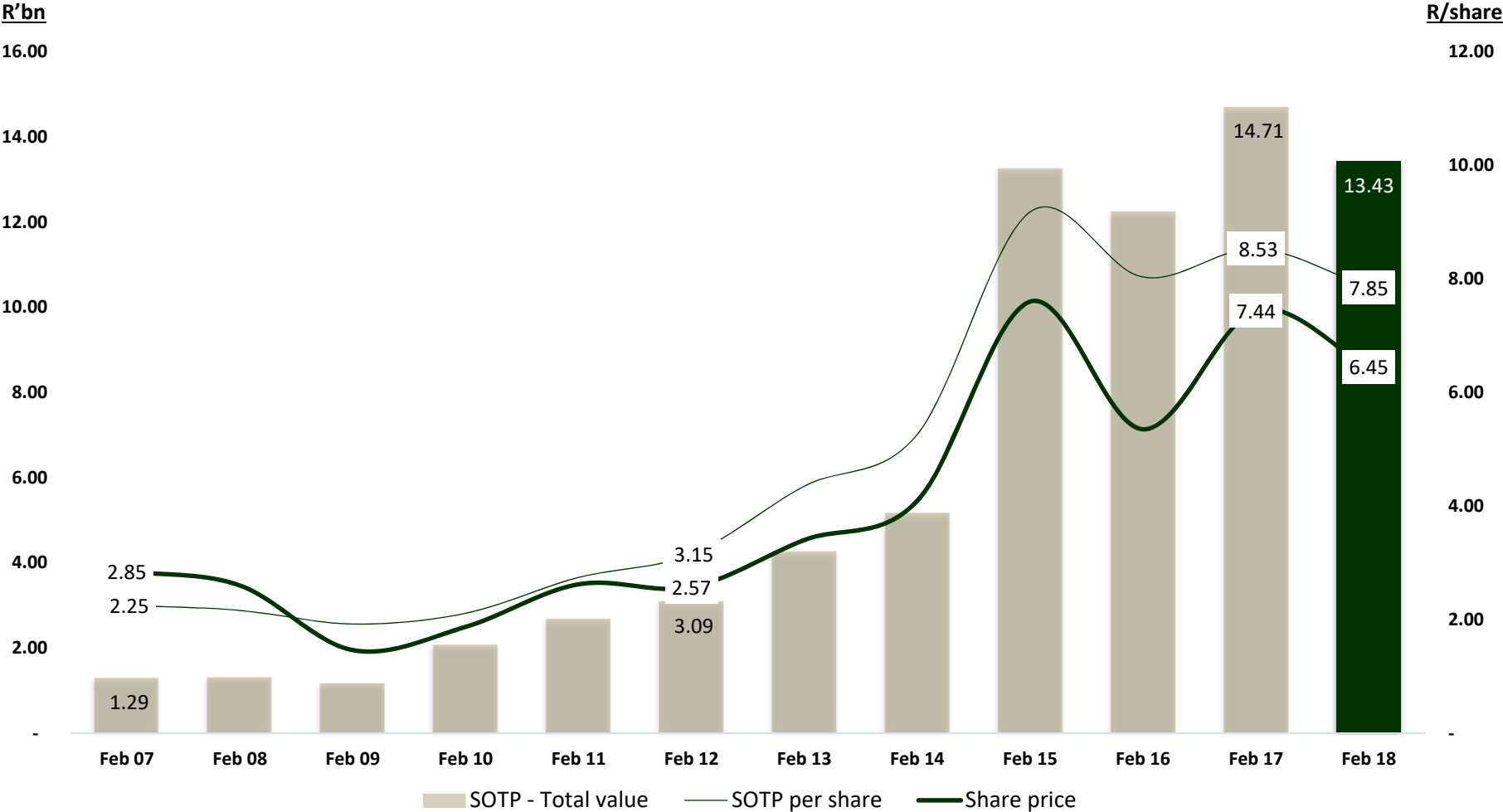
- Pioneer Foods's share price declined with corresponding negative impact on Zeder's SOTP value
- Follow-on investments made into Zaad
- Share buy-backs resulting in number of issued shares declining from 1,725m to 1,710m
- Increase in net debt

Intrinsic value

Performance review

The recent sideways trend is disappointing but longer term outlook remains positive.

Historical overview

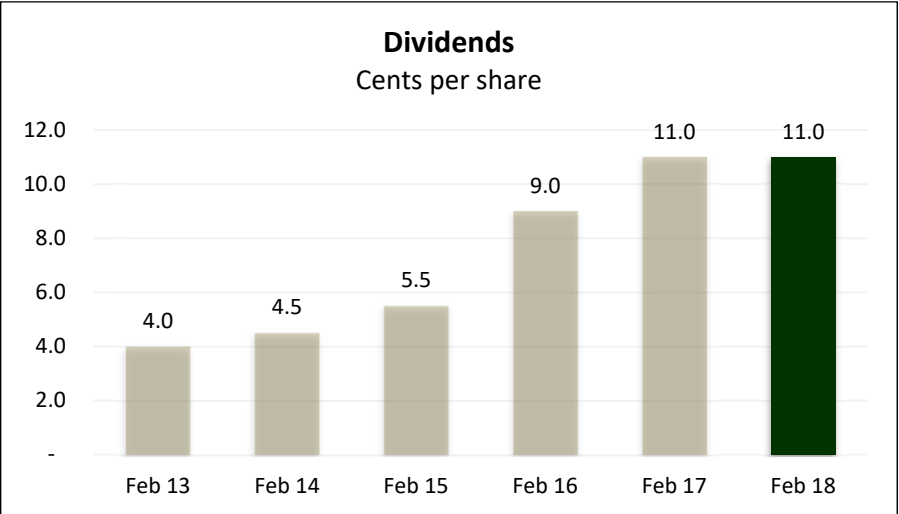
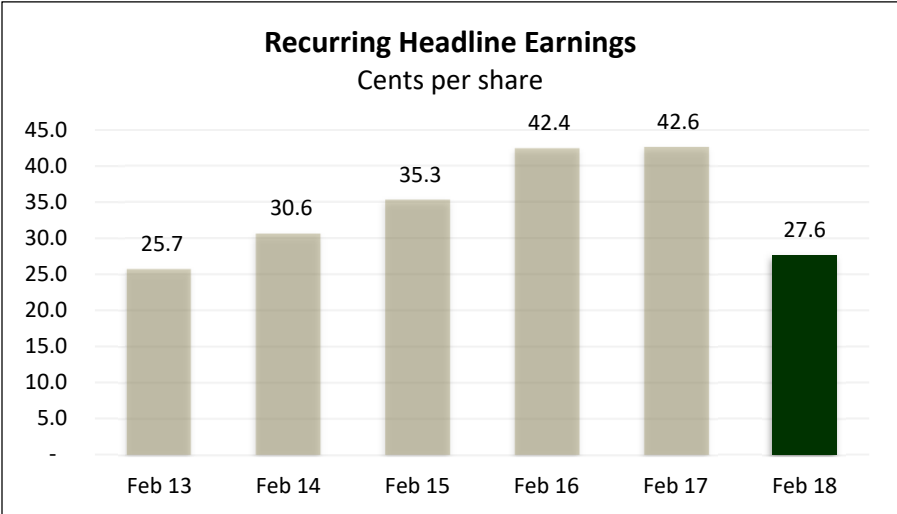
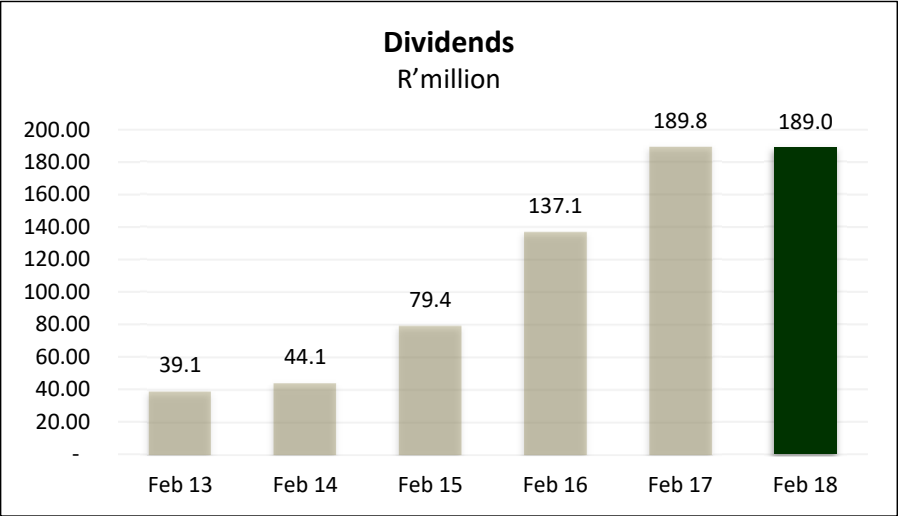
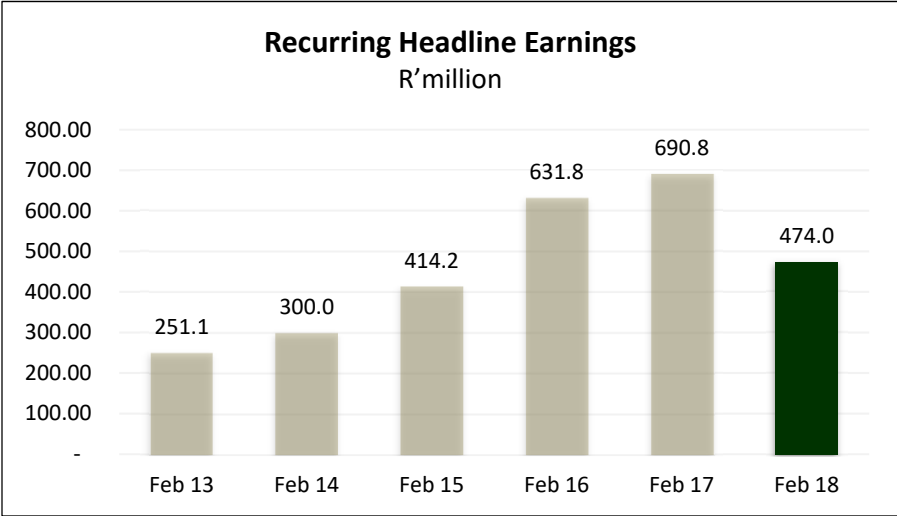


Earnings and dividends

Performance review

Despite the decline in earnings of 35,2%, the dividend has been maintained at 11c per share due to comparable cash generation and likely non-recurring factors.

FY2018

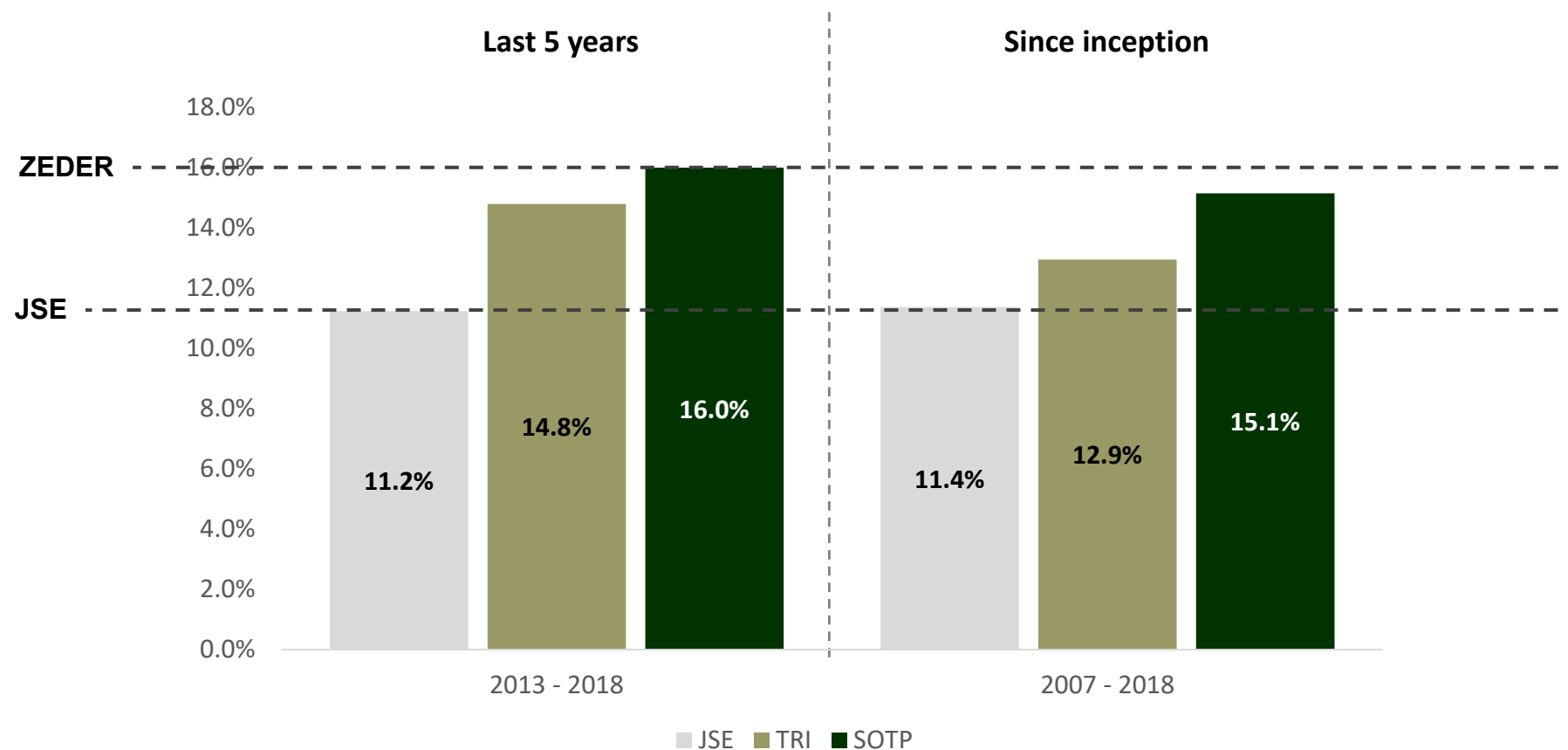


Total shareholder return

Performance review

Notwithstanding the recent pull-back in share prices, Zeder has outperformed the index and delivered acceptable shareholder returns.

Shareholder value



Robust portfolio with upside

We have a stable and resilient portfolio that provides additional upside – platforms for further growth.

Portfolio evaluation

Sum-of-the-parts values

Value of investments
R'm



Note: Values as at 15 June 2018

Business overview

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.

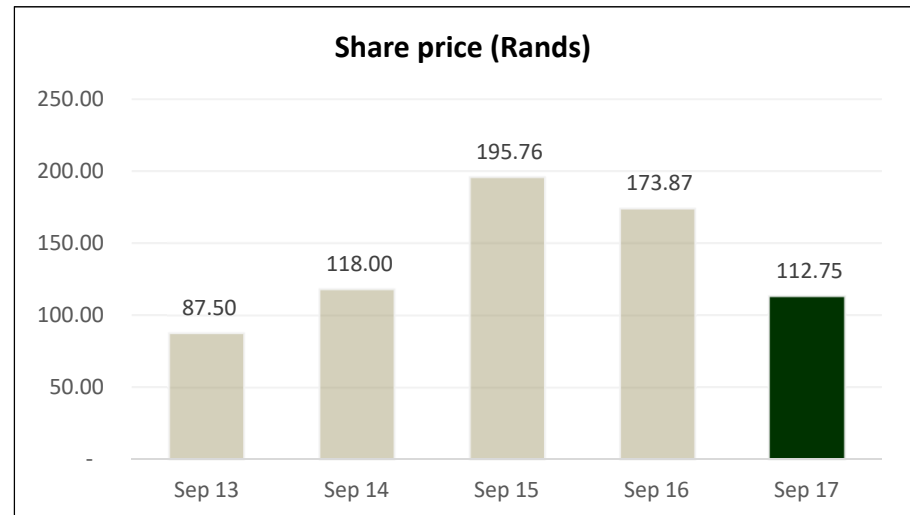
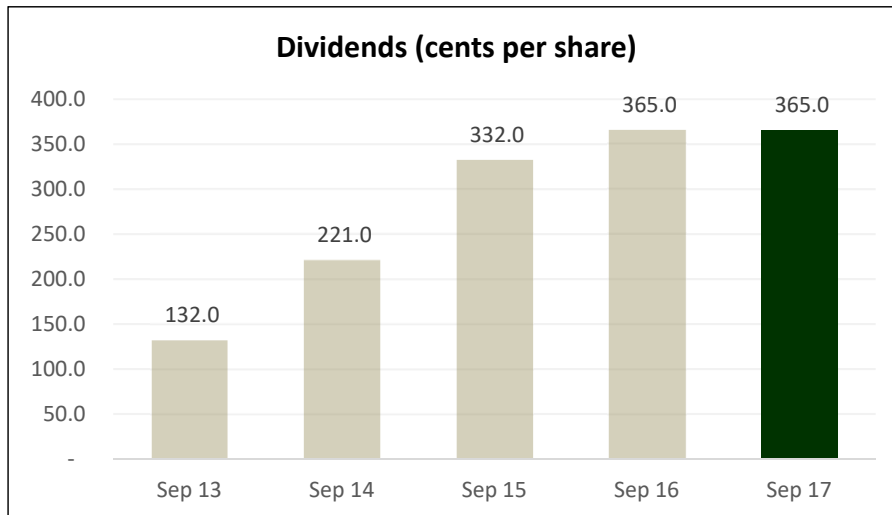
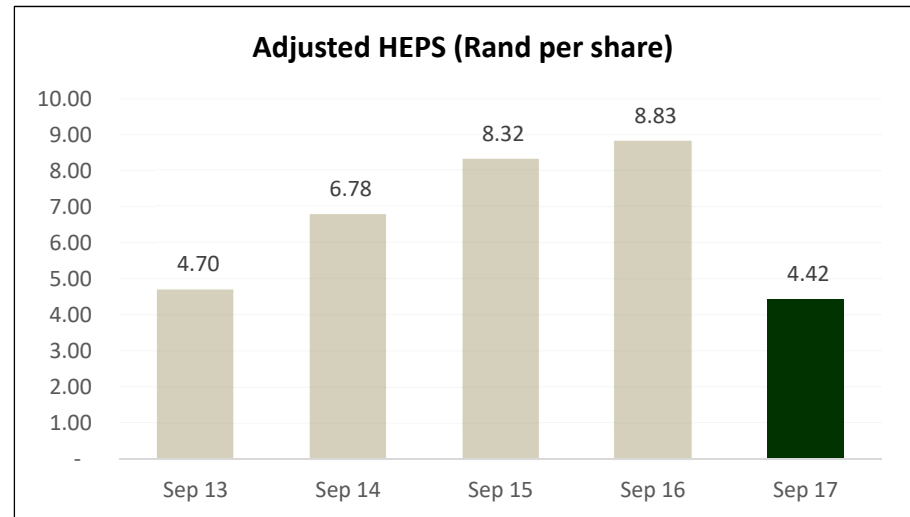
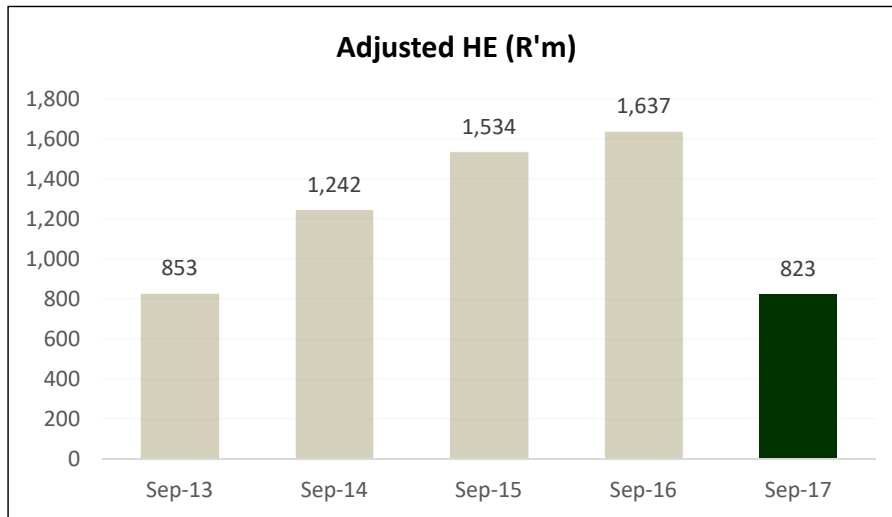
Portfolio evaluation



Financial performance

Portfolio evaluation

Pioneer has performed exceptionally well over the past 5 years but experienced a challenging year during 2017 with Adj. HEPS down 50% - maintained dividend.



FY17 Variance analysis

Portfolio evaluation

The variance in profits can largely be ascribed to three factors, some of which should be non-recurring.



Profit Movement Analysis

Major Categories – Unfavourable Movement	Full year	Contribution	1H2017
Maize	R408m	47%	R357m
International Fruit	R195m	22%	R105m
Local & International Beverages	R273m	31%	R152m
	R876m	100%	R614m

An improvement is underway

Portfolio evaluation

Recent trends show acceptable recovery or defence across most categories.



Brand Performance Value Share by Brand – full year			Brand Performance Value Share by Brand – interims			
12MM Oct 2016 – Sep 2017			6MM Oct 2017 – Mar 2018			
Power Brands	Value Share	Share points change	Power Brands	Value Share	Share points change	Category growth
Bakery	29.3%	-0.9%	Bakery	26.7%	-1.7%	6.6%
Flour	27.8%	-3.2%	Flour	31.1%	1.0%	3.7%
WEET-BIX	17.1%	-0.2%	WEET-BIX	16.2%	0.3%	7.0%
WHITE STAR	30.5%	-1.8%	WHITE STAR	31.9%	0.8%	-13.6%
SAFARI NATURE'S TASTY SNACK	37.9%	-1.9%	SAFARI NATURE'S TASTY SNACK	22.1%	-0.2%	1.4%
Spekko	24.3%	2.8%	Spekko	18.6%	-3.2%	5.0%
LIQUI-FRUIT	28.7%	-0.1%	LIQUI-FRUIT	26.8%	1.4%	12.8%

Solid interim results reported

Portfolio evaluation

Pioneer Foods reported improved interim results for the 6-month period ended 31 March 2018.



ADJUSTED OPERATING PROFIT*	NET CASH PROFIT FROM OPERATING ACTIVITIES	ADJUSTED HEADLINE EARNINGS PER SHARE*	INTERIM DIVIDEND PER SHARE
+36%	+34%	+26%	MAINTAINED

Business overview

Portfolio evaluation

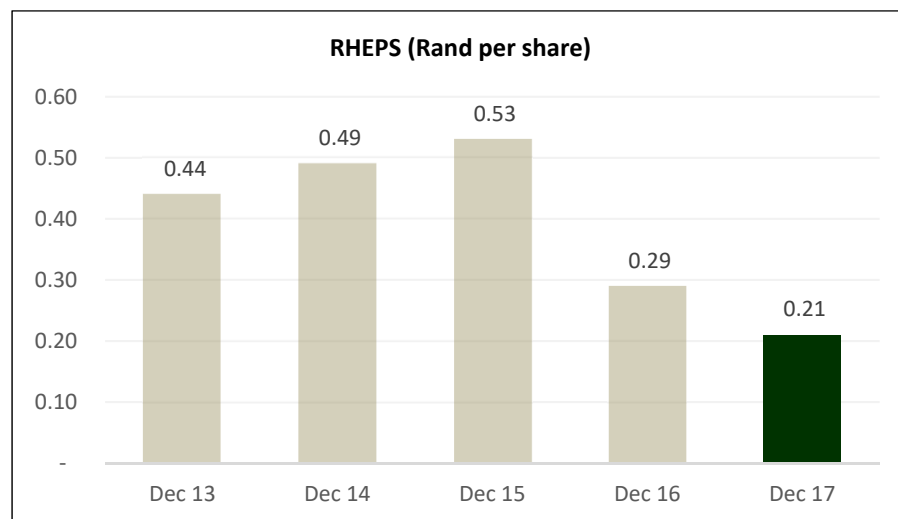
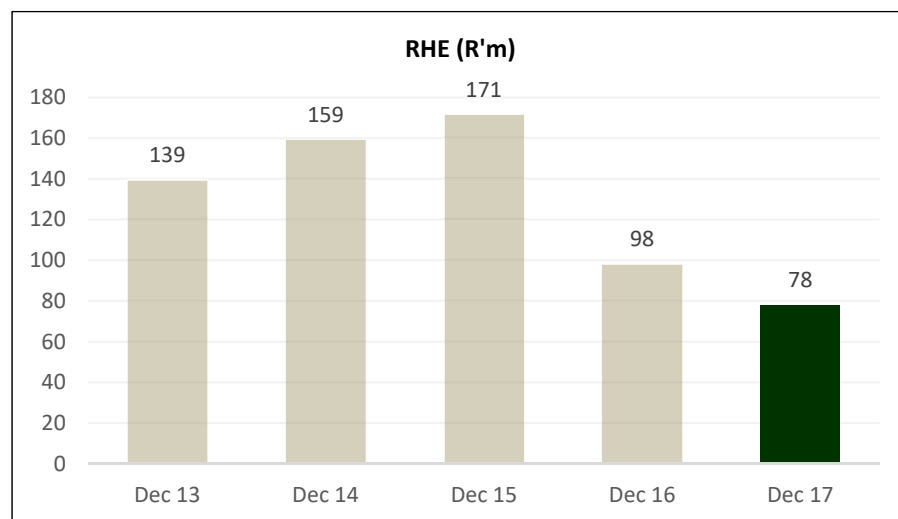
Capespan is an internationally diversified group with a primary exposure to fruit farming, marketing, distribution, port logistics and related services.



Financial performance

Portfolio evaluation

Capespan reported a 26.7% decline in RHEPS due to the lagged effect of volume declines following the drought and increased finance costs.



Commentary:

- **El-Nino impact in fruit volumes**
 - Warm winters
 - Reduction in irrigation
 - 20-30% reduction in volumes
 - Own farms plus 3rd party
- **Cost of restructuring global operations**
 - Realignment for growth
 - Closing down loss-making operations
- **Increased finance and depreciation charges**
 - Significant farm expansion
 - Short-term impact of expenses with delayed income benefits

Outlook:

- **Much improved climatic conditions**
 - Climatic stabilisation in the north
 - Improving conditions in the south
- **Restructuring well advanced**
 - Better focus
 - Lower relative cost base and model
- **CAPEX cycle easing off**

Important observations

Portfolio evaluation

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**



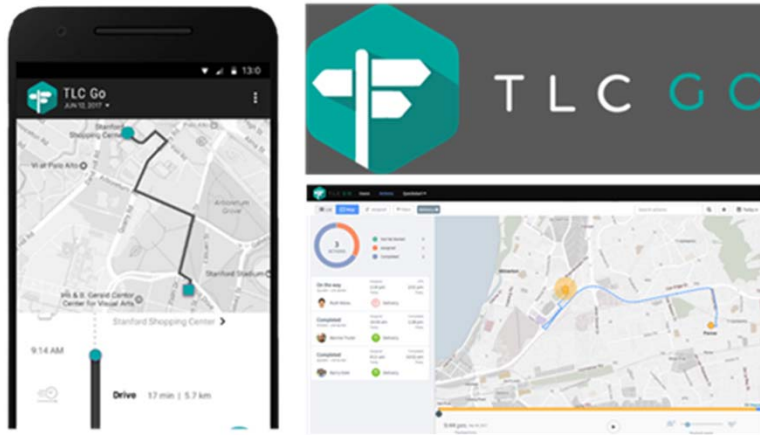
- Improved strategy and focus
- Improved structures for further growth and capital allocation
- Improved service delivery to our customers

Small seeds planted

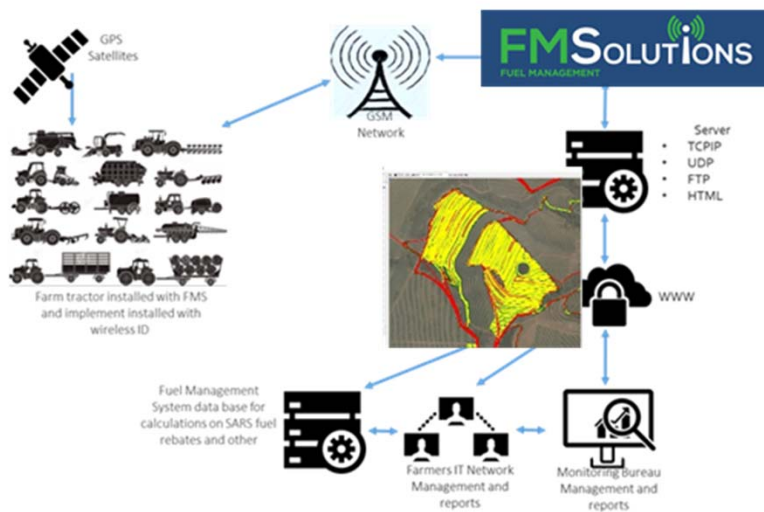
New platform investments

To complement our logistics offering as a group, we invested in a new small start-up that provide us with an affordable 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
- Focus in South Africa but global application possible



Combining cargo with platforms

Portfolio evaluation

By executing the existing cargo flow of the Capespan Group through the TLC platform, we will immediately establish the largest technology enabled transport platform in Africa – and grow from there.



A Logistics Group

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

Business overview

Portfolio evaluation

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.

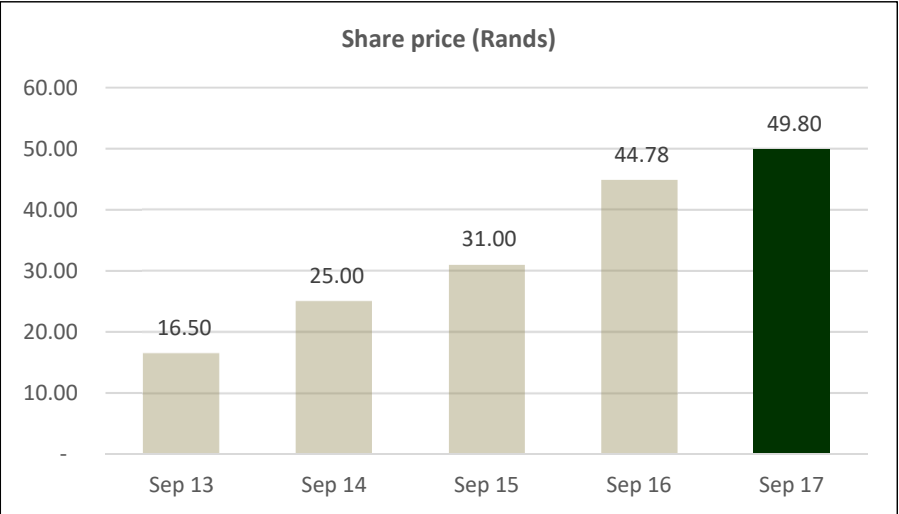
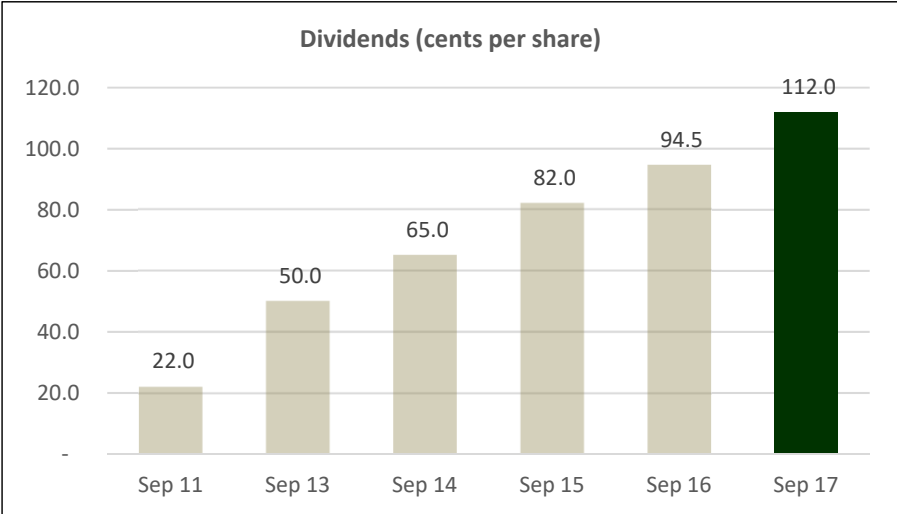
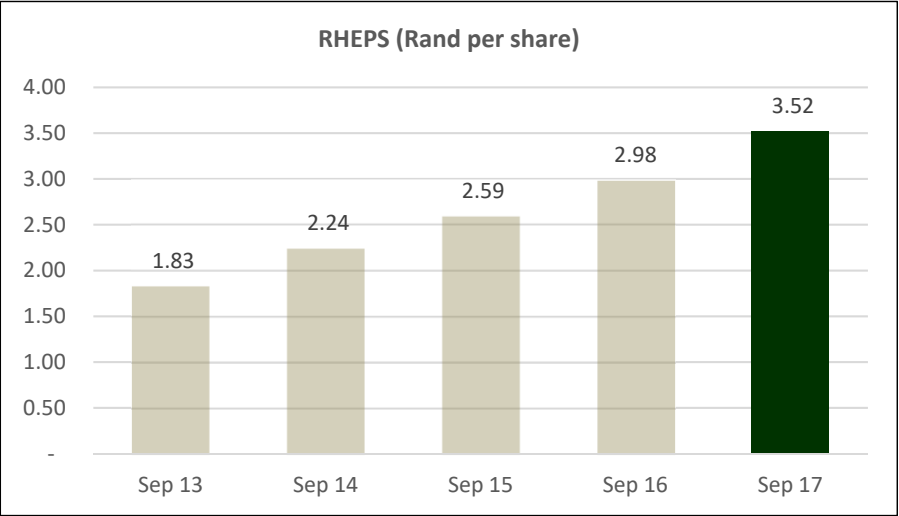
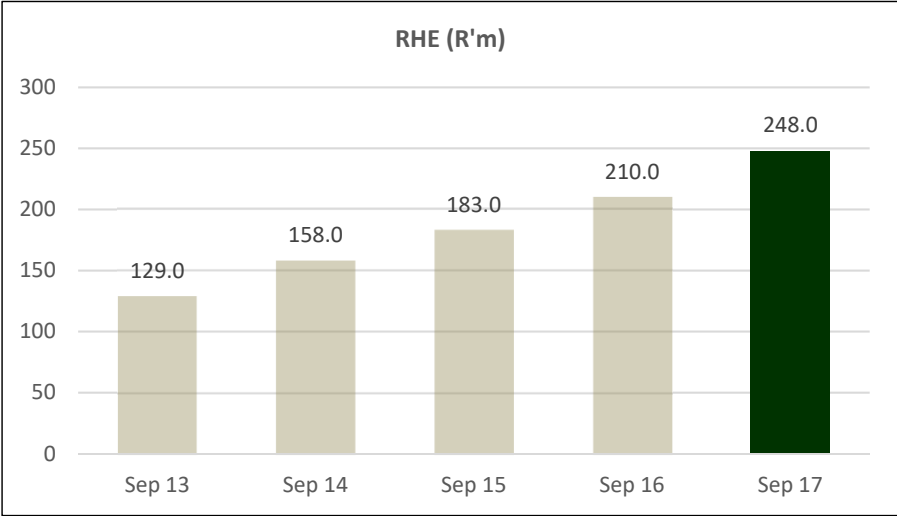
Kaap Agri has 183 operating points that stretch over 97 cities, towns and places, and include areas such as the Swartland, Boland, Winelands, Overberg, Langkloof, Namaqualand, Orange River, Sundays River Valley, Namibia and adjacent areas, as well as Limpopo, Mpumalanga and Gauteng.



Financial performance

Portfolio evaluation

Kaap Agri reported a 17.9% increase in RHEPS and an increase of 18.5% in dividends per share.



Key observations

The past financial year included numerous highlights as group continued to grow and expand with strong balance sheet in place.

Portfolio evaluation



1 KEY MILESTONES

- Listed on the JSE Main Board
- TFC structure
- TFC transactions
- Kaap Agri Namibia
- Urban retail format

4 BUSINESS PROFILE UPDATE

Kaap Agri store presence

Province	Operating Points	YoY Change
Namibia	18	+2
Limpopo, Mpumalanga, Gauteng and North West	9	-
Northern Cape	25	+2
Western Cape	132	+6
Eastern Cape	10	+4

6

4 BUSINESS PROFILE UPDATE (cont.)

Segment	Contribution to Income	Contribution to Profit Before Tax	Contribution to Net Assets
Retail and trade	High	High	High
Fuel and convenience	High	High	High
Grain and handling	Low	Low	Low
Other	Low	Low	Low

KAAP AGRI

Interim results

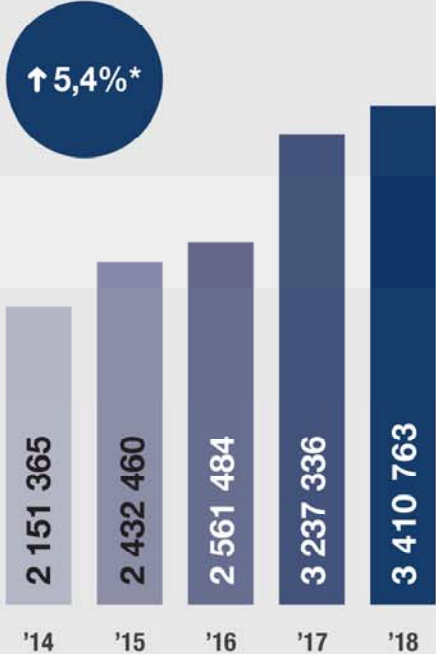
Portfolio evaluation

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.

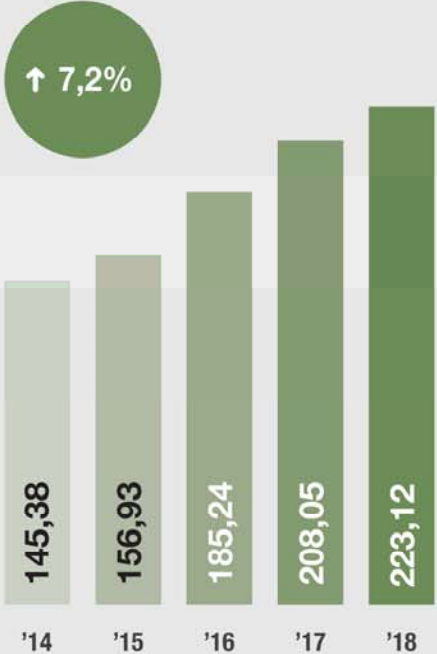


Salient features

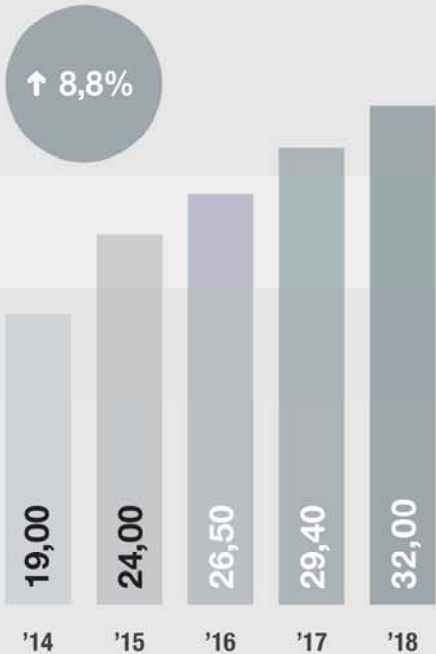
Revenue*
R'000



Recurring headline earnings per share
Cents



Interim dividend
Cents



Business overview

Portfolio evaluation

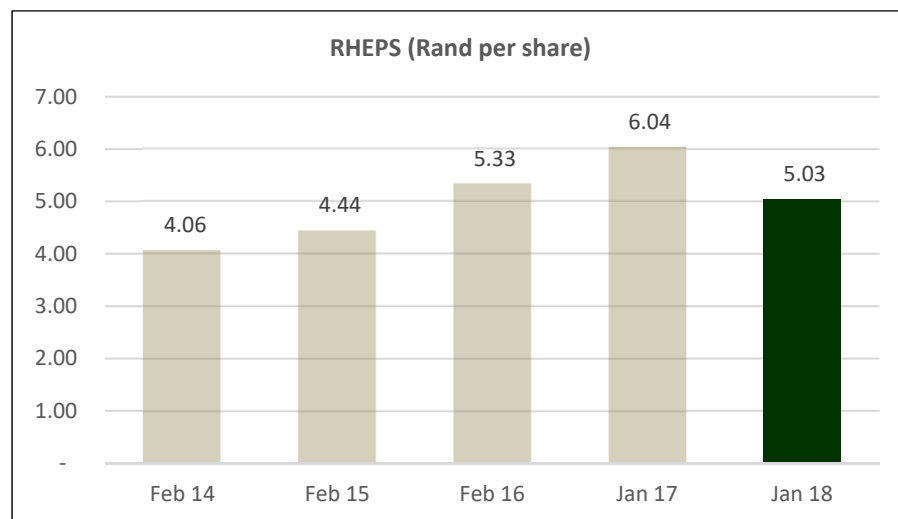
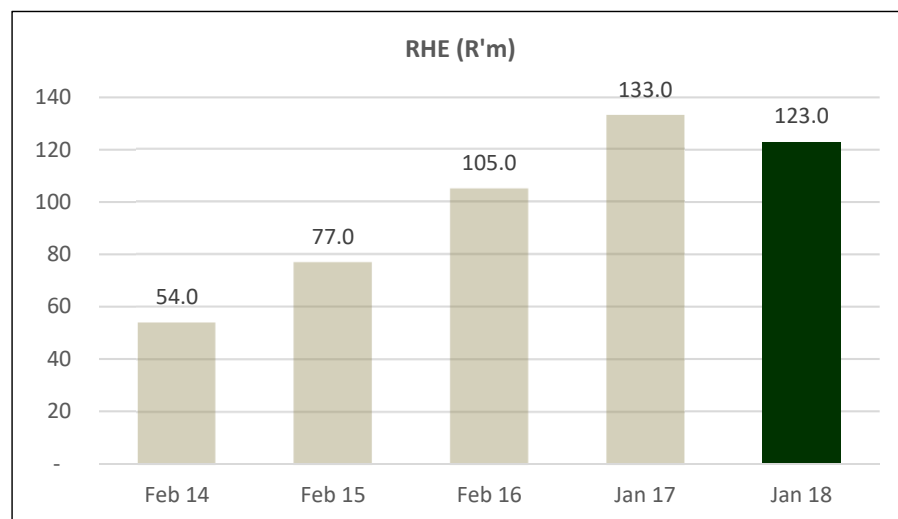
Zaad is a specialist agricultural seed company that develops and supplies a broad basket of proprietary seeds to more than 96 international markets.



Financial performance

Portfolio evaluation

Zaad reported a decrease of 16.7% in RHEPS, driven in most part by weaker results in South Africa as a result of the drought and increased finance costs.



Commentary:

- **Western Cape drought**
 - Lower input sales
 - Carry over stock
- **IFRS revenue recognition**
 - Year-on-year comparison not like-for-like
- **Increased finance and depreciation charges**
 - Significant R&D expenditure
 - Significant IP investments
 - Short-term impacted of expenses with delayed income benefits

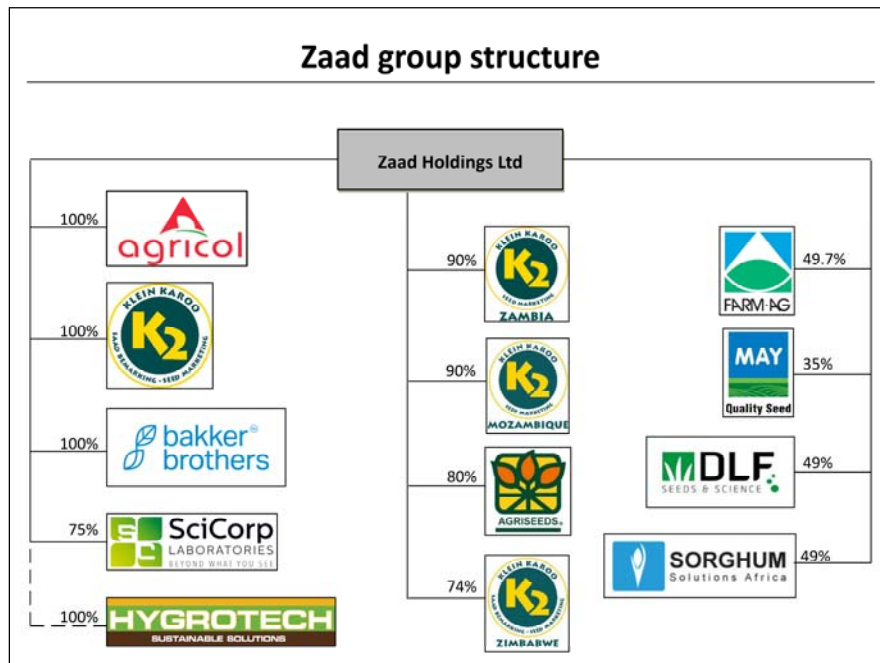
Outlook:

- **Much improved climatic conditions**
 - Sub-Sahara region normalised
 - Western Cape improving
- **Investments performing very well**
 - Africa (Zimbabwe, Zambia)
 - FarmAG
 - May Agro
- **Strong IP and very attractive industry**

Key observations

Portfolio evaluation

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
- Zeder committed to invest a further R200m through rights issue
- **Goal is to build a leading global hybrid seed group of companies 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 evaluation



Agrivision Africa

Brands & Distribution



- Formal retail
- Distribution depots

Financial performance

Portfolio evaluation

Disappointing recurring losses reported but net asset value in US\$ and conservative exchange rate approach supports investment value.



Agrivision Africa

Summarised Income Statement	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Key metrics	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	14,304	32,532	31,711	39,718	34,994
EBITDA	2,831	3,576	2,199	7,326	1,672 ^
EBIT	(245)	5	(955)	4,305	(2,012) ^
Recurring headline earnings	(1,509)	(3,385)	(3,615)	1,306	(4,700)
Net asset value per share (\$)*	38.33	30.64	19.08	55.15	52.55
USD:ZAR	10.50	10.82	10.82	10.82	10.82
Sum-of-the-Parts (R'm)				614	591

*FY2016 NAV restated to market value due to reporting currency changes in Zambia as compiled by 3rd party valuations

^Adjusted for impairment of intangible assets in FY2017

NEGATIVES:

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

POSITIVES:

- **NAV underpin**
 - Low liquidity but asset prices maintained
 - SOTP values held at R10.82/US\$
- **Improved conditions**
 - Normalised climatic conditions
 - Improved political stability
 - Open border trading at present

Business overview

Portfolio evaluation

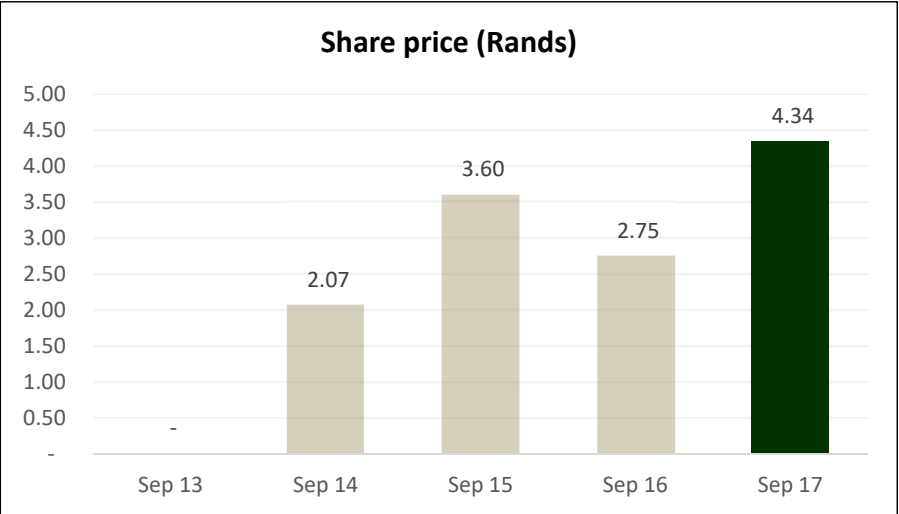
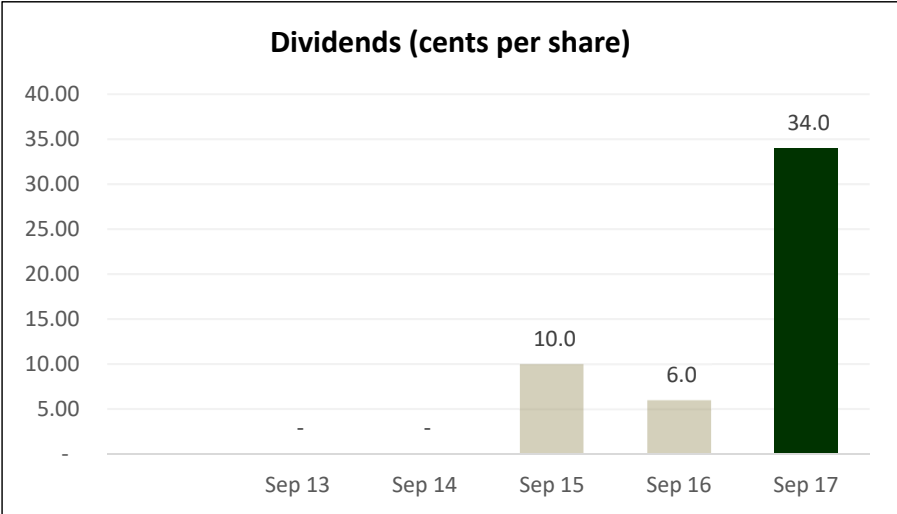
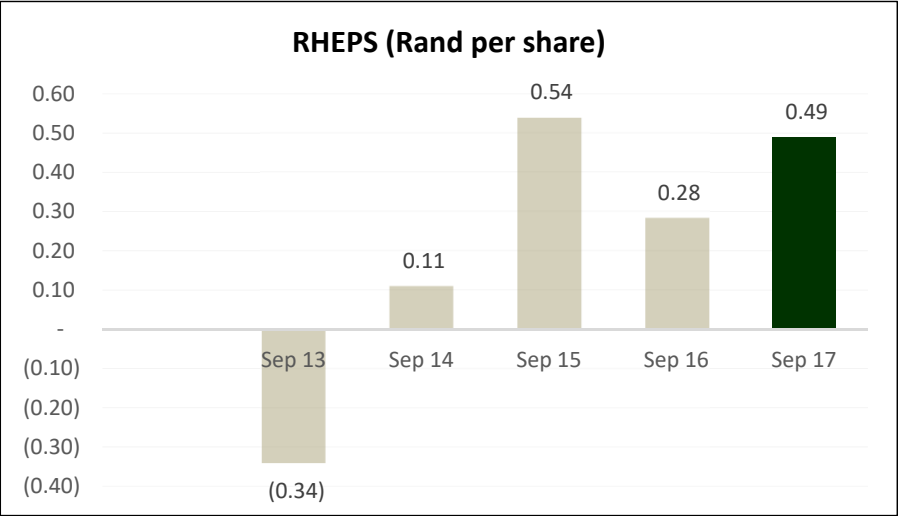
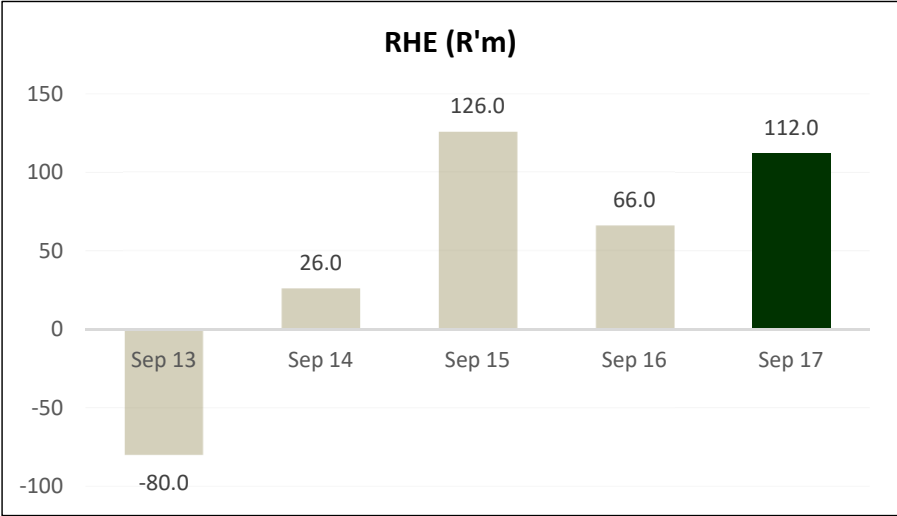
Quantum is South Africa's #1 commercial egg supplier and operates a regionally dominant and nationally recognised premium animal feeds business.



Financial performance

Portfolio evaluation

Quantum Foods reported an increase of 74% in RHEPS and declared a special dividend due to strong cash generation for their FY2017.



Solid interim results

Portfolio evaluation

Despite challenging macro conditions, Quantum continues to benefit from lower commodity input costs and improved egg prices.



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.



Despite the short-term challenges, we remain committed to deliver attractive shareholder returns over the next 5 years.